

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 44 - Years of Service 1965 - 2009

MINUTES

MARCH 25, 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 March 25, 2009 Regular Board Meeting of the Nipomo Community Services District to order at 9:00 a.m. and led the flag salute.

00:00:40

B. ROLL CALL

At Roll Call, all directors were present.

00:00:49

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) MIKE NUNLEY OF AECOM ENGINEERING

Update re: Waterline Intertie Project & Southland WWTF Design

Mike Nunley, Project Director at AECOM Engineering, gave an update on the progress of the Waterline Intertie Project. He reviewed the Status Report provided in the Board letter. Mr. Nunley answered questions from the directors.

Mr. Nunley provided a review of the activities concerning the Southland Wastewater Treatment Facility preliminary design. The completion of the draft concept design is planned to coincide with the EIR. The final design is expected by April 2010. There was no public comment.

The Board thanked Mr. Nunley for his update.

C-2) NCSD SUPERINTENDENT TINA GRIETENS

Update re: Utilities Division Activities in February 2009

Tina Grietens, Utility Superintendent, reviewed the activities of the Utilities Division for the month of February 2009, as presented in the report in the Board packet. Ms. Grietens answered questions from the directors.

There was no public comment.

The Board thanked Ms. Grietens for her report.

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C-3) NCSD WATER CONSERVATION COORDINATOR CELESTE WHITLOW
Update re: Water Conservation Program and Annual Chipping Event

Celeste Whitlow, Water Conservation Coordinator, reviewed the report presented in the Board packet.

There will be a workshop Saturday, April 18, 2009, called "Sages, Grasses and Ceanothus: Drought-Tolerant Favorites for the Garden".

The Chipping Event will take place April 12th through May 8, 2009.

Ms. Whitlow answered questions from the Board.

There was no public comment.

The Board thanked Ms. Whitlow for her report.

C-4) JOE MILLER OF CONSERVE TRACK SOFTWARE
Overview of Software and Compatibility of Software with Billing System

Bruce Buel, General Manager explained that the Board had asked for some information about tracking water use related to conservation and if there is software that is compatible with the District's existing billing software.

Joe Miller, President of ConserveTrack, presented the Board with information about the software developed that integrates well with many software programs. He answered questions from the Board. The Board asked for a listing of the following:

- o Last five agencies who purchased this software in 2008
- o Cost of all the modules available.
- o The type of operating system needed (Mr. Miller answered that it is web-based.)
- o Training costs and the time involved in training.

There was no public comment.

The Board thanked Mr. Miller for the report.

C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Trotter

He is concerned about the money spent on desalination and would like the manager to comment. Mr. Buel stated that the Supplemental Water Committee is planning to talk about that in April and will forward recommendations at that time.

Director Vierheilig

Nipomo Incorporation Committee for Education (N.I.C.E.) meeting will be held April 20, 2009, at 9:00 a.m. in the Avila Room at Woodland's Trilogy.

April 4 and 5, 2009 Orchid Show in Arroyo Grande. The benefit show for the Alzheimer's Association will be April 3rd. Tickets are available for \$40.00.

Director Harrison

At the NICE meeting, County staff will talk about roads, planning, etc. Supervisor Achadjian will be the moderator.

Rotary Club will be barbecuing at Hess Nursery during the Central Coast Greenhouse Growers Association event April 4th.

Rotary Club will have its golf tournament on May 9th at Monarch Dunes.

Chamber luncheon - Thursday, March 26, 2009

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C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
(CONTINUED)

Director Eby

South County Advisory Committee held elections March 16, 2009. The results are as follows:

Howard Hess for geographical Area 3

Patricia Duron for Agriculture.

The only incumbent opposed was Dan Gaddis, who was re-elected.

Dan Gaddis was elected to the chair.

There are still three seats open.

The weather prediction shows an even chance of the average rainfall for April.

Director Winn

Monday's Supplemental Water sub-committee was excellent.

Assessment work by Wallace does not look at impacts by TDC's.

He distributed EIR CD's at the SCAC meeting.

Park Master Plan on the Consent Agenda. Morro Group is asking for \$200,000 more to complete the EIR.

The April 24th SLO Board of Supervisors meeting Consent Agenda will include:

- Accepting the MOU for the proposed Miller Park.
- The SLO Board of Supervisors approved a mini-storage unit on Willow near Sheridan Rd. to be served by the Woodland Park Mutual Water Company. The applicants plan to add a car wash. SLO Board of Supervisors conditions their approval by requiring an annual report to Health Department on wells and having the carwash well metered.. This is the fourth expansion by Woodland Park and it is down to one working well.
- Incorporation of Smart Growth philosophy Tuesday, April 14th and April 28th - NCSD needs to get information to SLO by April 10th.

Ad hoc committee Land Use Framework for Planning – Directors Winn and Harrison appointed. It will be discussed at the NCSD April 8th meeting.

Wednesday April 1, 2009, WRAC will meet in the SLO Library at 1:30 p.m.

- Two sub-committees will be formed, for the Framework and for the RMS.
- Saturday, April 4th, at 8:30 a.m. will be a continued meeting in the Supervisors' chambers – WRAC workshop on the Los Osos wastewater treatment.

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Bill Nelson, NCSD resident, updated the Board on what the BLMA is doing on conservation tests on one of the water meters they use to irrigate the park. In November 2008, the BLMA installed a "smart" controller that monitors ET for the water service. If this works, they will install more at the other meters.

01:37:50

D. CONSENT AGENDA

Staff asked to pull Item D-7 for separate consideration.

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of 3/11/08 Regular Meeting

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D. CONSENT AGENDA (CONTINUED)

D-3) AUTHORIZE EXECUTION OF CONTRACT FOR REPLACEMENT OF PUMP AND DISCHARGE PIPE FOR KNOLLWOOD WELL

RESOLUTION NO. 2009-1129
A RESOLUTION OF THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS APPROVING THE KNOLLWOOD WELL REPLACEMENT PROJECT AND AMENDING THE DISTRICT BUDGET TO PROVIDE FOR THE REPLACEMENT OF SUBMERSIBLE PUMP AT KNOLLWOOD WELL

D-4) APPROVE FY2009-10 COST OF LIVING ADJUSTMENT EFFECTIVE JULY 1, 2009

D-5) ADOPT RESOLUTION AMENDING BOARD BYLAWS

RESOLUTION NO. 2009-1130
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING AMENDED BY-LAWS (2009 UPDATE)

D-6) AUTHORIZE EXECUTION OF AGREEMENT WITH AECOM FOR FINAL DESIGN OF SOUTHLAND WWTF UPGRADES

The Board made two corrections in the Minutes for the March 11th meeting. Mr. Buel answered questions from the Board.

Upon motion by Director Winn and seconded by Director Eby, the Board unanimously approved Item D-1 through D-6 on the Consent Agenda, as amended. There was no public comment. Vote 5-0.

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

D-7) CONFIRM THAT RABOBANK 100% TREASURY COLLATERALIZATION SATISFIES BOARD DIRECTIVE RE CD INVESTMENT SECURITY

Bruce Buel, General Manager, explained that at the meeting with representatives of Rabobank it was understood that a letter would be sent confirming their agreement. The letter that arrived did not contain the information expected. Mr. Buel spoke with Jerry Legg after receiving the letter. After some Board discussion, the Board directed staff to withdraw the money from Rabobank and deposit it at Mission Community into the CDARS programs, as discussed at the last Board meeting. There was no public comment.

The Board considered Item E-4 next.

E. ADMINISTRATIVE ITEMS

02:01:40

E-4) REVIEW DRAFT PHASING AMENDMENTS TO INTENT-TO-SERVE POLICY, EDIT DRAFT ORDINANCE TEXT AND SET HEARING FOR INTRODUCTION

Bruce Buel, General Manager, explained that the Board directed staff to present possible code changes for the Board's consideration in response to the request from George Newman, representative for Nipomo Business Park, LP, developer of Tract 2652, for phasing payment of fees for the project.

Peter Sevcik, District Engineer, described the proposed language that would delay 50% of the supplemental water capacity charges.

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E-4) REVIEW DRAFT PHASING AMENDMENTS TO INTENT-TO-SERVE POLICY, EDIT DRAFT ORDINANCE TEXT AND SET HEARING FOR INTRODUCTION (CONTINUED)

The Board asked questions concerning proposed changes in the ordinance.

The following members of the public spoke:

George Newman, developer of Tract 2652, told the Board that he was concerned about the timing for the payment of the fees. He stated that he would like to have the payment closer to the completion of the project because it is difficult to obtain funding.

Jon Seitz, District Legal Counsel, explained the use of capacity fees and why they are collected before the project is complete.

The Board questioned if Will-Serve letters can be issued in sections or if the project can be changed to phased sections.

Mr. Newman stated that it is possible but difficult to change the project with different drawings, construction phases, etc. The engineering costs would seem to be about the same as NCS D's fees.

The Board continued to discuss several possibilities - Intent-to-Serve letter extension, assessment district, Will-Serve letter issued, then collect fees before meter set, changing percentage of fees collected, etc.

Upon motion by Director Winn and seconded by Director Trotter, the Board unanimously agreed to send the ordinance back to staff to change the percentage in Section 3.04.052 Item B(1) to 90% and change Item B(2) to "the remaining charges..." There was no public comment on the motion. Vote 5-0.

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

The Board considered Closed Section next.

03:06:40

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 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)
3. 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 12:19 p.m.

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03:07:30

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

The Board came back into Open Session at 1:46 p.m.
Director Trotter left the meeting at 1:30 p.m.

Jon Seitz, District Legal Counsel, reported the following:
The Board heard an update on the items listed above. There was no reportable action.

03:08:22

E-1) CONSIDER STAFF PROPOSAL TO CONVERT SUNDALE WELL FROM GAS TO ELECTRICITY WITH A STANDBY DIESEL GENERATOR

Peter Sevcik, District Engineer, reviewed the proposal to convert the Sundale Well to operate with an electric motor. The conversion process also requires the existing building to be removed and replaced with a steel building to facilitate future maintenance of the well.

Mr. Sevcik answered questions from the Board.
There was no public comment.

Upon motion by Director Eby and seconded by Director Vierheilg, the Board unanimously approved the resolution approving the Sundale Well project and amending the budget. Vote 4-0 with Director Trotter being absent.

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

RESOLUTION NO. 2009-1131
A RESOLUTION OF THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS APPROVING THE SUNDALE WELL REPLACEMENT PROJECT AND AMENDING THE DISTRICT BUDGET TO PROVIDE FOR THE REPLACEMENT OF NATURAL GAS ENGINE AT SUNDALE WELL WITH AN ELECTRIC MOTOR

03:24:40

E-2) CONSIDER STAFF CONCEPT PROPOSAL TO INTEGRATE BLACKLAKE WELLS INTO DISTRICT WATER SYSTEM

Peter Sevcik, District Engineer, reviewed the history of Blacklake Wells 3 and 4 and the ground-level storage tank. He explained the proposal to replumb the wells into the District water system until Blacklake Well #3 is repaired and permanently take the Blacklake tank out of service.

Mr. Sevcik answered question from the Board. Director Eby proposed that the District go ahead with the proposed improvements, take a second look at refurbishing Blacklake Well #3, in light of the fact it may be abandoned in two years, and come back with further recommendation. There was no public comment.

Upon motion by Director Eby and seconded by Director Winn, the Board unanimously agreed to accept staff's recommendation for everything except rehabilitation of Blacklake Well #3, and directed staff to come back at a future date with a recommendation on whether it is an economical solution to rehabilitate Blacklake Well #3 in light of the fact that it may be partially abandoned in the future. There was no public comment on the motion. Vote 4-0 with Director Trotter being absent.

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

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03:54:25

E-3) DISCUSS OPTIONS TO IMPROVE MIXING AT STANDPIPE WATER RESERVOIR

Peter Sevcik, District Engineer, explained that the District's 2007 Water and Sewer Master Plan Update recommended that the inlet/outlet piping of the existing standpipe water storage reservoir be modified to increase mixing and reduce other potential problems.

Mr. Sevcik answered questions from the Board. There was no public comment.

Upon motion by Director Vierheilg and seconded by Director Eby, the Board unanimously agreed to accept staff's recommendation and that the project move forward at the right time. Vote 4-0 with Director Trotter being absent.

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

04:01:00

E-5) REVIEW DRAFT RFP TO PREPARE 2010-2015 WATER RATE STUDY, EDIT DRAFT AND AUTHORIZE CIRCULATION TO PROSPECTIVE CONSULTANTS

Bruce Buel, General Manager, provided the Board and the public with a copy of a document from Director Eby titled "Alternative Rate Structures Considerations". He explained the proposed RFP provided in the Board packet. The RFP provides for a number of considerations for possible rates for 2010 – 2012.

Director Eby suggested that the District should wait for the rate study until after the assessment district election is complete. It could jeopardize the assessment vote. Also, he suggested that objectives be included in the rate study.

The Board discussed the concepts in the document from Director Eby.

Director Vierheilg suggested separating the first paragraph in the proposed RFP by bullets for ease of reading.

Upon motion by Director Vierheilg and seconded by Director Winn, the Board agreed to authorize circulation of the proposed RFP, as edited, to prospective consultants. Vote 4-0 with Director Trotter being absent.

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

04:35:36

E-6) REVIEW PROPOSED AMENDMENTS TO DISTRICT MISSION STATEMENT AND VISION STATEMENT AND SET HEARING FOR ADOPTION

Bruce Buel, General Manager, presented the proposed amendments to the District's Mission Statement and Vision Statement.

The Board made one small edit.

Vision Statement

The District:

- has sufficient water supplies to meet current needs and is 'actively planning for and funding future needs
- has investments in our infrastructure to maintain reliable and efficient services,
- is practicing environmental stewardship to protect our resources,'
- has substantially upgraded and continues to upgrade water and wastewater systems to accommodate new water supplies and meet growth and regulatory requirements
- is sustaining a qualified, long-term and productive workforce to assure an effective organization
- continues conservative, well managed finances reaching incremental targeted reserve goals

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E-6) REVIEW PROPOSED AMENDMENTS TO DISTRICT MISSION STATEMENT AND VISION STATEMENT AND SET HEARING FOR ADOPTION (CONTINUED)

Vision Statement

The District:

- customer service, public outreach and information methods have resulted in a high level of public support
- is utilizing proven technologies to enhance the performance of our Mission
- has improved relationships with local agencies, regulators and providers
- has constructed and is operating at least one neighborhood park

Mission Statement

The Nipomo Community Services District's mission is to provide its customers with reliable, quality, and cost-effective services now and in the future.

Upon motion by Director Winn and seconded by Director Vierheilg, the Board unanimously agreed to the statements as edited and set April 8, 2009, to consider adoption. There was no public comment. Vote 4-0 with Director Trotter being absent.

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

04:39:57

F. MANAGER'S REPORT

Bruce Buel, General Manager, added to the Manager's Report as presented in the Board letter: The Board of Supervisors' action at the March 24, 2009, concerning Miller Park, will be an item on the April 8th meeting.

Mr. Buel answered questions from the Board.

04:48:08

G. COMMITTEE REPORT

1. March 16, 2009 Finance and Audit Committee Meeting

The Committee Report is as submitted.

Director Eby reported that at the Supplemental Water Committee held Monday, March 23, 2009, new concerns were discussed:

- Real estate acquisition cost - not in the report
- Mitigation costs
- Crossing of levee could be a coordination problem as the new levee design and construction could conflict with the pipeline project.

Peter Sevcik, District Engineer, stated that the Santa Barbara Flood Control District is coordinating with our District.

04:53:41

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

- He suggested that in the future evaluation of conservation program surveys should be followed up by telephone calls.
- Now that the MOU is approved for the proposed park, what are the next steps the District should be taking?
- Look into LAIF funds
- NMMA Technical Group – there have been some unauthorized disclosures of the minutes of the meeting. Mr. Seitz stated that it is okay to post the agenda but not the minutes.

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H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

- What is the water counsel schedule to discuss water problems? Mr. Buel stated that it is tentatively scheduled for April 29th when it is planned to have other items discussed, as well.
- Clean-Up Day was supposed to be two times per year but earlier in this meeting it was mentioned that it would only be once due to lack of response. Please follow up on contract.

Director Eby

Would like to discuss security of LAIF funds and alternate placement of investments at a future meeting.

ADJOURN

President Harrison adjourned the meeting at 2:41 p.m.

➤ **THE NEXT REGULAR BOARD MEETING IS APRIL 8, 2009**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Waterline Intertie Project (WIP) Concept Design Review
- Hearing on WIP FEIR Findings
- WIP Assessment Engineering Research