

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 45 Years of Service 1965 - 2010

MINUTES

OCTOBER 27, 2010 AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
MICHAEL WINN, DIRECTOR
ED EBY, DIRECTOR
BILL NELSON, DIRECTOR

PRINCIPAL STAFF

DON SPAGNOLO, GENERAL MANAGER
LISA BOGNUDA, ASSIST. GENERAL MANAGER
MERRIE WALLRAVIN, SECRETARY/CLERK
JON SEITZ, GENERAL COUNSEL
PETER SEVCIK, DISTRICT ENGINEER

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.
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00:00:00

A. CALL TO ORDER AND FLAG SALUTE

Vice President Vierheilig called the Regular Meeting of October 27, 2010, to order at 9:00 a.m. and led the flag salute.

00:00:30

B. ROLL CALL

At Roll Call, Directors Vierheilig, Winn, Eby, and Nelson were present. President Harrison was absent.

00:01:15

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) MIKE NUNLEY OF AECOM

Update re: Waterline Intertie Project

Mike Nunley, AECOM Project Manager, reviewed the report as presented in the Board packet. Don Spagnolo, General Manager, and Mr. Nunley answered questions from the Board. The Board thanked Mr. Nunley for the report.

C-2) NCSD SUPERINTENDENT TINA GRIETENS

Update recent Operations activities

Tina Grietens, NCSD Utility Superintendent, reviewed the report as presented in the Board packet. Ms. Grietens answered questions from the Board. The Board thanked Ms. Grietens for the report.

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

Receive Announcements from Directors Items of District & Community Interest

Director Winn

- ◇ On Tuesday, October 19, 2010, the Board of Supervisors did approve the Leal subdivision on South Tejas. They didn't require them to pay an in-lieu fee for Supplemental Water due to the way the ordinance was written. There is no fee in place; therefore they aren't going to be required to pay anything. However, it may be that Leal is in the service area of Golden State Water Company and therefore part of the tax assessment district proposal that would come up in spring. Would like staff to find out if they are in or out of the service boundaries of Golden State Water.
- ◇ On October 21, 2010, LAFCO had a study session. The project is located in Price Canyon near Pismo Beach. LAFCO Board members were not given hard copies to study of the Draft EIR in advance. The Project requires 812 acre feet of water a year in Price Canyon, of which 500 acre feet of water is supposed to come from CCWA. However, CCWA has not made any commitment.
- ◇ On October 25, 2010, the CCWA concluded the comment period for a proposal to move water from CCWA to Oceano and Pismo Beach because of the seawater intrusion. Oceano will not take this, but Pismo Beach will.

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- ◇ On October 25, 2010, SCAC met and formed a committee to update the bylaws and the concerned citizens for clean air, appointed one person to deal with the PM10 particular matter.
- ◇ November 1, 2010 – There will be a meeting in Paso Robles on the County's Green Build Standards from 6 to 8 p.m.
- ◇ November 8, 2010 – Water Conservation Committee Meeting at 10:00 a.m. here at NCSD.
- ◇ November 8, 2010 – SWWTF Committee Meeting at 2:00 p.m. here at NCSD.
- ◇ November 19, 2010 – CSDA chapter will meet in San Luis Obispo at the Wallace Group office at 11:30 a.m.

Director Eby

- ◇ There was a convention in Palm Springs, where CALAFCO voted to give an award to the combination of NCSD, SLO LAFCO, and the County for the efforts they did in the MOA. If LAFCO doesn't submit a press release to the newspaper, NCSD needs to.
- ◇ At the last LAFCO meeting, there was a study session on the EIR that the City of Pismo Beach has written. The plan wanted 60% of the water to come from the State Water Pipeline and 25% from reclaimed water. They had no plans, no designs, and no ideas for funding. There clearly was no water for the annexation. So without the water, there is no project.
- ◇ About a month ago, someone gave incorrect information about the upcoming assessment for Supplemental Water to the seniors at the senior center. So, last week I gave them the correct information about the need for Supplemental Water, the assessment process and explained to them that the increase would be based on the size of the property and not just one flat rate for everyone. The seniors seemed to feel more comfortable about this.

Director Vierheilig

- ◇ On Tuesday, October 26, 2010, there was a Finance and Audit Committee Meeting here at NCSD and the Draft 2009-2010 Fiscal Year Audit report looked great.

C-4) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Greg Nester, local Contractor, had concerns with NCSD's will-serve procedures and questioned why you have to pay architects and engineers to calculate the water usage for the proposed project.

00:31:07

D. CONSENT AGENDA

D-1) WARRANTS

D-2) BOARD MEETING MINUTES OF OCTOBER 27, 2010

D-3) CANCELLATION OF NOVEMBER 24, 2010 BOARD MEETING

D-4) INVESTMENT POLICY – THIRD QUARTER REPORT

D-5) WITHHOLD PUBLICATION OF PROPOSITION 218 NOTICE

Director Vierheilg pulled Item D-3 for separate consideration.

Upon the motion of Director Winn and seconded by Director Vierheilg, the Board members present unanimously approved Items D-1, D-2, D-4, and D-5. There was no public comment.

Vote 4-0.

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

Item D-3

Don Spagnolo, General Manager, reviewed the report presented in the Board packet. Peter Sevcik, District Engineer, and General Manager answered questions from the Board.

Upon the motion of Director Winn and seconded by Director Eby, the Board members present unanimously approved to cancel The Regular Board Meeting of November 24, 2010, and schedule a Special Meeting on December 1, 2010 in the morning. There was no public comment.

Vote 4-0.

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

The Board took a break from 9:50 a.m. to 10:00 a.m.

E. ADMINISTRATIVE ITEMS

00:51:15

E-1) CONSIDER CONTRACT AMENDMENT FOR DOUG WOOD AND ASSOCIATES FOR THE SOUTHLAND WWTF PROJECT

Peter Sevcik, District Engineer, reviewed the report presented in the Board packet. Douglas Wood, of Douglas Wood & Associates, and Mr. Sevcik answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Nelson, the Board members present unanimously approved to authorize the General Manager to execute an amendment in the amount of \$7,840 to the existing Douglas Wood & Associates, Inc. contract for preparation of the Southland WWTF Upgrade Project EIR.

Vote 4-0.

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

01:22:23

E-2) CONSIDER CONTRACT AMENDMENT FOR WATER SYSTEM CONSULTANTS FOR THE URBAN WATER MANAGEMENT PLAN

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Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Mr. Sevcik answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Nelson, the Board members present unanimously approved to authorize the General Manager to execute an amendment in the amount of \$7,900 to the existing Water System Consultants Contract for preparation of 2010 Urban Management Plan Update.
Vote 4-0.

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

01:26:10

E-3) CONSIDER DRAFT URBAN WATER MANAGEMENT PLAN UPDATE

The General Manager reviewed the report presented in the Board packet. Jon Seitz, District Legal Counsel, Peter Sevcik, District Engineer, and Jeffery Szytel, of Water Systems Consulting, answered questions from the Board. The Board made corrections to the Public Review Draft. There was no public comment.

Upon the motion of Director Winn and seconded by Director Nelson, the Board members present unanimously approved the Public Review Draft as amended, include any missing information and directed staff to circulate the Draft 2010 Urban Water Management Plan Update as required.
Vote 4-0.

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

02:23:09

E-4) CONSIDER DRAFT URBAN WATER MANAGEMENT PLAN UPDATE

Celeste Withlow, Conservationist, reviewed the report as presented in the Board Packet. General Manager and Mrs. Whitlow answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilg the Board members present voted unanimously to table this item until Mr. D'Milo from Science Discovery comes to the Board and hears the Board's concerns.
Vote 4-0.

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

2:41:40

E-5) CONSIDER LOCAL AGENCY FORMATION COMMISSION REQUEST FOR NOMINATIONS

Don Spagnolo, General Manager, reviewed the report as presented in the Board packet and answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Nelson, the Board members present unanimously approved to have staff send a letter to LAFCO saying that the

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Board anticipates supporting Mr. Eby when he comes up for re-election, but the Board has no nomination for Mr. Brooks' seat.
Vote 4-0.

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

The Board considered Closed Session next.

02:44:38

I. CLOSED SESSION ANNOUNCEMENTS

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

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 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 GC SECTION 54956.9; NCSO VS. COUNTY SLO, ET AL. (CASE #CV090010).
4. PUBLIC EMPLOYEE EVALUATION (GOVERNMENT CODE SECTION 54957(B)): GENERAL MANAGER.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

02:46:20

K. ADJOURN TO CLOSED SESSION

Vice President Vierheilig adjourned to Closed Session at 12:05 p.m.

02:46:30

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

The Board came back into Open Session at 1:25 p.m.

Jon Seitz, District Legal Counsel, announced that the Board discussed item one listed above for closed session, but took no reportable action. There was no public comment.

02:46:38

F. GENERAL MANAGER'S REPORT

Don Spagnolo, General Manager, reviewed the Manager's Report presented in the Board packet. Mr. Spagnolo answered questions from the Board. There was no public comment.

03:02:17

G. COMMITTEE REPORT

There were no Committee reports.

03:02:19

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENT REPORTS

Director Winn

- ◇ Suggested the Board revisit the membership with CWCC to make sure it's what the Board wants it to be.
- ◇ We need to talk with the Woodlands about installing a meter at the intertie with NCSO.

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This should be put in at their costs because they are the only ones that would use it. With the idea that on a five-minute notice we would have to crack open the valve and we would not know how much water they would be taking.

Director Vierheilig

- ◇ We need to understand that the assessment won't happen until next July or thereafter. I would be interested to know what the impact would be without the rate increase in our water for another year.
- ◇ The Urban Water Management Plan is sighting 3% water conservation and some information coming out of the District is sighting 16% water conservation. This is a big difference, so at the next Water Conservation Committee Meeting, I would like to see a table for water production and deliveries for 2005 thru 2009. I would like it broken down into Residential, Commercial, Institution, Landscape, Agriculture, and Construction/Other. With a grand total and the total water produced during those same years per connection. Also include the same data eliminating the Community Park and the High School.

03:09:06

ADJOURN

Vice President Vierheilig adjourned the meeting at 1:50 p.m.