

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

ADJOURNED BOARD MEETING MAY 29, 1996 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

STEVEN SMALL, **PRESIDENT**
KATHLEEN FAIRBANKS, **VICE PRESIDENT**
ALEX MENDOZA, **DIRECTOR**
AL SIMON, **DIRECTOR**
ROBERT BLAIR, **DIRECTOR**

STAFF

DOUGLAS JONES, **General Manager**
DONNA JOHNSON, **Secretary to the Board**
JON SEITZ, **General Counsel**

CALL TO ORDER AND FLAG SALUTE

President Small called the May 29, 1996 meeting to order at 7:08 p.m.

ROLL CALL

Upon Roll Call all directors were present.

APPROVAL OF MINUTES

1. **REGULAR MEETING OF MAY 15, 1996**
Upon motion of Director Simon and seconded by Director Mendoza, the Board unanimously approved the Minutes of the May 15, 1996 Regular Meeting.

PUBLIC COMMENTS PERIOD

2. **PUBLIC COMMENTS**
Public comments on matters other than scheduled items.
Presentations limited to three (3) minutes

The only comment was a request from J. Frederick for more room to be provided for audience.

BOARD ADMINISTRATION

3. **WATER AND SEWER RATE STUDY**

Review water and sewer rate increases.
Presentation by Perry Louck, CPA, Financial consultant (Discussion/Information)

Mr. Jones introduced Perry Louck, CPA the financial consultant hired by the District to perform a water and sewer rate study.

Mr. Louck presented a history of why a rate study was needed. No study or analysis had been performed for over 10 years. There is a fiscal requirement to fund depreciation accounts. He also explained that different divisions need to be categorized to pay for themselves rather than the funds being pooled. He showed slides summarizing the study.

The titles of the slides and comments are as follows:

1. **Water Cost Coverage**
Showing variable & fixed revenues and expenses.
2. **Nipomo Sewer Deficit**

3. Black Lake Sewer Division
Bob Decker of 643 Barberry Way commented.
4. Plan Preparation
Board questions
5. Conclusions of the Study
 1. Customers with 1 inch meters are subsidizing the customers with larger meters
 2. Customers using water in the base tier are being substantially subsidized by customers in the upper tier.
 3. At the current connection fee rates, water projects will be under funded and sewer projects will be over-funded.
6. Cost Per Unit
7. Monthly Fixed Charge
8. Conservation Tiered Rates
9. Bi-Monthly Bills Compared
10. Black Lake Wastewater Rates with Subsidy
11. Black Lake Wastewater Annual Subsidy
12. Rate Recommendations Water Capacity Fee
13. Rate Recommendations Wastewater Capacity Fee.

Mr. Jones showed a slide of the *Rate Recommendations*

Jack Stoddard, President of the Black Lake Management Assoc.,

commented about the use of the effluent at the golf course.

John Snyder asked about the study being based on the Boyle Report.

J. Frederick asked if NCSD was operating at a profit before the funds were allocated to the different departments. Answer-No.

The tape recorder stopped working approximately here.

At 8:40 p.m. President Small called for a short break

At 8:52 p.m. the meeting was called to order.

Vivian Johnson made a comment about Black Lake rates.

J. Frederick, Patricia Linane, John Snyder, Cees Dobbe and Ed Sauer made further comments about Louck's report and rates.

3A. INTRODUCTION OF ORDINANCE TO MODIFY WATER AND SEWER RATES

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING TITLE 3 AND TITLE 4 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO:

1. ESTABLISH MONTHLY RATES FOR WATER AND SEWER SERVICE;
2. ESTABLISH CAPACITY CHARGES FOR WATER AND SEWER SERVICE;
3. AMEND ADMINISTRATIVE PROCEDURES (Discussion/Action)

The Board discussed introducing specific language in the ordinance for consideration. Director Blair made a motion to postpone the introduction of the ordinance until the June 19, 1996 meeting. Director Simon seconded the motion. The vote was 4-1 with Director Small voting no.

4. NEW OFFICE BUILDING DESIGN

Architect, Barry Williams, presentation of the proposed design. (Discussion/Information)

Barry Williams presented the proposed design for the new NCSD office building to be built at 148 S. Wilson. There were questions from the Board and the audience (Gene Kaye, Bob McClellan, J. Frederick and John Snyder). The building is proposed to be approx. 3900 sq. ft.

5. AGREEMENT FOR PROFESSIONAL SERVICES

Approve engineering & financial services in acquiring a zero percent loan from the State Revolving Fund. (Discussion/Action)

Mr. Jones explained that professional services would be necessary to complete the documents required to acquire a zero percent loan from the State Revolving Fund (which was previously approved by the Board). Upon motion of Director Simon and seconded by Director Mendoza, the Board approved Resolution 96-581 with a 3-2 vote. Directors Fairbanks and Blair voted no.

RESOLUTION NO. 96-581
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT APPROVING
1) A CONTRACT FOR ENGINEERING SERVICES WITH
GARING, TAYLOR AND ASSOCIATES
2) A CONTRACT FOR A REVENUE PLAN WITH
PERRY LOUCK, CPA

6. DISTRICT 1996-97 FISCAL YEAR PROPOSED BUDGET

Set a time and place for a study session to review proposed budget. (Discussion/Action)

The Board set June 10, 1996, 7:00 p.m. at 261 W. Dana St. Suite 100, for a Study Session to review the proposed budget for the 96-97 Fiscal Year.

7. NOTICE OF COMPLETION - TEFFT STREET/HWY 101 - OVERCROSSING PROJECT

File Notice of Completion of work completed by R. Baker, Inc. (Discussion/Action)

Upon motion of Director Mendoza and seconded by Director Simon, the Board unanimously approved to file the Notice of Completion for the work completed by R. Baker, Inc. at the Tefft Street overcrossing

FINANCIAL REPORT

8. APPROVAL OF WARRANTS

Upon motion of Director Blair and seconded by Director Fairbanks, the Board unanimously approved the Warrants presented at the May 29, 1996 meeting.

OTHER BUSINESS

9. MANAGER'S REPORT

Mr. Jones presented information on the following items:

1. Correspondence from Senator Jack O'Connell
2. Nipomo Chamber of Commerce Mixer
3. Cypress Ridge EIR correspondence
John Snyder addressed Ref #4 of the response to Dan Asquith.
4. Black Lake Sewer
5. Santa Barbara County CSDA Dinner

Reminder that the June 5, 1996 Board Meeting is canceled.

10. DIRECTORS COMMENTS

Director Simon asked about the letter to Steve from B. Royle, a San Luis Obispo resident.

Director Small thanked the staff for its work.

Director Blair asked if copies could be two-sided to save costs.

11. PUBLIC COMMENTS

John Snyder hoped the cost of copies applied to every one.

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSD vs. Shell Oil, et. al. Case No. CV 077387
2. Anticipated litigation GC§ 54956.9(b) One case

*GC§ refers to Government Code Sections

The Board came back into open session.

There was no reportable action taken.

ADJOURN

President Small adjourned the meeting at 11:30 p.m.