

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

REGULAR BOARD MEETING MAY 7, 1997 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

KATHLEEN FAIRBANKS, **PRESIDENT**
ALEX MENDOZA, **VICE PRESIDENT**
AL SIMON, **DIRECTOR**
ROBERT BLAIR, **DIRECTOR**
GENE KAYE, **DIRECTOR**

STAFF

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

CALL TO ORDER AND FLAG SALUTE

President Fairbanks called the meeting to order at 7:00 p.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

APPROVAL OF MINUTES

1. REGULAR MEETING OF APRIL 16, 1997
Upon motion of Director Blair and seconded by Director Simon, the Board unanimously approved the Minutes of the April 16, 1997 meeting.

PUBLIC COMMENTS PERIOD

2. PUBLIC COMMENTS
Public comments on matters other than scheduled items. Presentations limited to three (3) minutes
President Fairbanks opened the meeting to public comment. There were none.

BOARD ADMINISTRATION (The following may be discussed and acted on by the Board.)

3. PUBLIC HEARING - ADJUSTMENT OF DISTRICT CAPACITY CHARGES AND CONNECTION/METER FEE
Second reading of an Ordinance adjusting District water and sewer capacity charges (Developer fees) and water connection/meter fees.

Mr. Jones explained that the Board introduced and had the first reading of Ordinance 97-84 which adjusts the water and sewer capacity charges (developer fees) and connection/meter fees. Board discussion included Director Simon concerned with commercial prices for larger meters. Mr. Jones explained that the prices are based on flow.

Public Comment- Jack Stoddard felt prices were growth inhibiting.

John Snyder did not agree with Boyle Engineering figures.

Cees Dobbe (620 Black Ridge Lane) and Allan Gallon (752 Beverly Dr.) commented on rates.

Director Simon made a motion to postpone the rate increase until Jan. 1998 when we have more information. (Vote - Simon & Blair - Yes, Kaye, Mendoza & Fairbanks - No) Motion failed. Dir. Simon withdrew his motion.

Director Kaye made a motion to adopt Ordinance 97-84. Director Blair seconded for discussion purposes only. (Vote - Kaye & Mendoza - Yes, Blair, Simon and Fairbanks - No) Motion failed.

Legal Counsel, Jon Seitz, said that staff can look at other districts to compare.

Director Blair made a motion to table the issue and directed staff to look at commercial rates and analysis of capacity issues with comparison to other agencies and the capital draw on existing system. Motion seconded by Director Kaye. Motion passed unanimously.

Director Kaye made a motion to consider the sewer only portion of Ord. 97-84 deleting Sections "3", "4", "5", & "6" and continue water capacity fees. Director Mendoza seconded. Motion passed with Director Blair voting no.

Director Kaye made a motion to read Ord 97-84 in title only. Director Mendoza seconded. Motion passed with Director Simon voting no.

Director Kaye made a motion to adopt Ordinance 97-84 with Sections 3, 4, 5 & 6 deleted. Director Mendoza seconded. Motion passed with Director Blair voting no.

Cees Dobbe commented that half of a bad thing is still a bad thing.

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 97-84
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 CAPACITY CHARGES FOR SEWER SERVICE;
2. AMEND ADMINISTRATIVE PROCEDURES**

4. REVIEW SEWER USER FEES

Introduction of an ordinance adjusting sewer user fees for the Town and Black Lake Divisions and setting a date for a Public Hearing.

Mr. Jones explained that there may not be not enough reserves in the Black Lake Sewer fund to cover the Operations and Maintenance and recommended a loan from the Black Lake Water Fund to the Black Lake Sewer Fund. The Black Lake Advisory Committee approved a \$20.00 sewer user fee to be effective July 1, 1997 and to be reviewed the fourth quarter of 1998. The sewer user fee for the Town Division will be increased to \$18.00/mo.

Jack Stoddard commented that \$16.00 from Day 1 of annexation to the District was probably unrealistic but that \$20 is realistic if you look at costs.

Director Simon made a motion to accept introduction of Ordinance 97-85 and set a Public Hearing for May 21, 1997. Director Kaye seconded the motion. Motion passed with Director Blair voting no.

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 97-85
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
ESTABLISH MONTHLY RATES FOR SEWER SERVICE**

5. REVIEW WATER USER FEES

Review of proposed monthly water user fees for the Town and Black Lake Divisions.

Mr. Jones explained that staff met with the Black Lake Advisory Committee to and reviewed the proposed sewer and water rates for the Black Lake area. The BLAC recommended to freeze the existing water rates until a rate study is conducted. The study would be funded through their Homeowner's Association. Director Kaye recommends a new study for the Town Division.

Jack Stoddard - uncomfortable with proposed rates.

Black Lake Advisory Committee recommends freezing rates to allow them to make an independent rate study. Review useful and potential life of facilities. Look at energy deregulation.

If the study is fair and justifiable, Mr. Stoddard will support rates and will tell BLAC to support it. The Home Owner's Associations will fund study, They have a meeting May 13, 1997. Study will be complete by end of calendar year.

John Snyder commented on rate increase in relation to replacement and recommended to redo the rate study.

Cees Dobbe - feels electricity rates are a large portion of budget.

Director Simon made a motion to postpone rate increase to the Town and Black Lake Divisions and allow the Black Lake Group to perform a rate study and to perform rate study for both divisions. Director Kaye seconded. Motion passed unanimously.

6. BLACK LAKE SEWER ALIGNMENT

Review remedies for a flat sewer line in Black Lake Golf Course.

Mr. Jones explained that the Black Lake Advisory Committee reviewed the problem of an eight-foot+ section of the sewer line on the golf course that was not constructed to the original plans.

Jack Stoddard stated that the problem was an engineering error in staking the grade. He believes flushing valve or flushing manhole is the answer even though Garing, Taylor & Assoc. doesn't recommend it. He recommends the Board, at direction of BLAC, accept offer from developer of Tract 1912

Director Simon supports Mr. Stoddard's recommendation and trusts his opinion.

Director Kaye asked about the cost of maintenance of a flushing valve.

Mr. Stoddard suggests that as long as Black Lake has to pay, then it should be done their way.

This will be taken up in Closed Session

7. UNAUTHORIZED WATER USE - TRACT 2151

Prohibited use of unmetered water by contractor of Tract 2151.

Mr. Jones explained the circumstances of the use of water from a fire hydrant without a meter. Mr. Stoddard suggested that a technical violation occurred due to extenuating circumstances.

Charles Pratt - said NCSD attorney misstated the fact.

Mr. Seitz and Mr. Pratt discussed connection to Tract 1409.

Director Kaye said BLAC recommends waiving fine.

Pat Speer - went to NCSD with full intent to sign up for meter.

Board discussion.. Director Kaye, as a good faith gesture made a motion to waive fee based on the recommendation of BLAC and that it was an honest, technical mistake. Director Simon seconded. Motion passed unanimously.

FINANCIAL REPORT

8. **THIRD QUARTER FINANCIAL REPORT**

The Third Quarter Financial Report was presented to the Board. Doug recommends a study session on Enterprise, Non-Enterprise Funds, Fund Accounting and Government Code. Jon suggested that these funds can be addressed in rate study.

John Snyder- 662 Eucalyptus Rd. (outside District) concerned about Financial Status of NCSD . Rates need to cover Operation and Maintenance, however, may need to have big water rate increase in the future to buy supplemental water because NCSD is infringing on his water rights.

9. **APPROVAL OF WARRANTS**

Upon motion of Director Kaye and seconded by Director Blair, the Board unanimously approved the Warrants presented at the May 7, 1997 Regular meeting.

OTHER BUSINESS

10. **MANAGER'S REPORT**

Manager Doug Jones presented information on the following items.

Director Blair will attend CSDA local meeting May 22, 1997

1. Phase 1 Environmental Assessment of 20-acre acquisition
2. County Clerk Schedule for Nov. 4, 1997 General Election
3. New Office Building update
4. Chamber of Commerce Trade Fair

11. **DIRECTORS COMMENTS**

Director Kaye is happy the Sewer Capacity fee is lowered.

Mr. Jones and Director Blair reported on the conference in Lake Tahoe.

WRAC meeting May 7, 1997 approved request for valve in State Pipe line. Will go to Board of Supervisors next.

Sanitary survey should be complete by the end of May.

12. **PUBLIC COMMENTS**

John Snyder handed out information to the Board. He thinks that Hatch and Parent has a conflict of interest with Cal Cities. You (the Board) need to look very closely at what Hatch and Parent said about the basin and the PUC rate increase.

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(c)

*GC§ refers to Government Code Sections

ADJOURN