

- D. CONSENT AGENDA *The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately. Questions or clarification may be made by the Board members without removal from the Consent Agenda. The recommendations for each item are noted in brackets.*

- D-1) APPROVE WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Approve Minutes of January 10, 2007, Regular Meeting
- D-3) RECEIVE FOURTH QUARTER INVESTMENT REPORT [RECOMMEND APPROVAL]
- D-4) CONFIRM DISTRICT INVESTMENT POLICY 2007 [RECOMMEND APPROVAL]
- D-5) RECEIVE SECOND QUARTER FINANCIAL REPORT [RECOMMEND APPROVAL]
- D-6) SET DATE FOR REVIEW OF GENERAL MANAGER PERFORMANCE [RECOMMEND APPROVAL]
- D-7 INITIATE REVIEW OF BOARD BYLAWS [SET HEARING FOR 2/14/07]

E. ADMINISTRATIVE ITEMS

- E-1) CONSIDER SOUTHLAND SHOP ENVIRONMENTAL DETERMINATION [RECOMMEND ADOPTION OF MITIGATED NEGATIVE DECLARATION]
- E-2) NOT USED
- E-3) CONSIDER REQUEST FROM HOLLOWAY FOR OUTSIDE SERVICE AREA AGREEMENT [RECOMMEND NEGOTIATION OF AGREEMENT]
- E-4) CONSIDER DEBLAUW REQUEST TO WAIVE LOOPING REQUIREMENT [RECOMMEND APPROVAL WITH CONDITIONS]
- E-5) RECEIVE STRATEGIC PLANNING WORKSHOP REPORT AND CONSIDER ACTION RECOMMENDATIONS [ACCEPT REPORT & DIRECT IMPLEMENTATION]

F. MANAGER'S REPORT

G. COMMITTEE REPORTS

H. DIRECTOR'S COMMENTS

**Nipomo Community Services District
REGULAR MEETING
AGENDA**

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS NCSO SANTA CLARA COUNTY CASE NO. CV 770214 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 GOVERNMENT CODE SECTION 54956.9; SAN LUIS OBISPO COASTKEEPER VS. NCSO (CASE NO. CV060349)
4. INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(C) – NIPOMO CSD VS. SLO COUNTY ET AL IN SAN LUIS OBSIPO SUPERIOR COURT

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

ADJOURN

➤ **THE NEXT REGULAR BOARD MEETING IS FEBRUARY 14, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Bylaws Update
- Supplemental Water Alternatives Presentation
- Discussion of Allocation and Annexation Issues

➤ **THE FOLLOWING SPECIAL BOARD MEETING IS FEBRUARY 21, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Southland WWTF Master Plan
- Water and Sewer Master Plan
- General Manager Performance Review

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: JANUARY 19, 2007



CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately.

**Questions or clarification may be made by the Board members
without removal from the Consent Agenda.**

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T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2007\CONSENT 1-24-07.DOC

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: JANUARY 19, 2007

**AGENDA ITEM
 D-1
 JANUARY 24, 2007**

HAND WRITTEN CHECKS

12-09-06	18940	BL GOLF COURSE RESORT	141.57
12-11-06	18941	CALIF HIGHWAY PATROL	10.00
12-11-06	18942	M WINN	50.00
12-11-06	18943	J HARRISON	50.00
01-11-07	18945	SLO CSDA	60.00

**TOTAL COMPUTER
 CHECKS
 \$ 163,779.97**

VOIDED CHECKS

18944

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information- Description
13083	01/12/07	EMP01	EMPLOYMENT DEVELOP DEPT	594.91	.00	594.91	A70108	STATE INCOME TAX
13084	01/12/07	MID01	MIDSTATE BANK-PR TAX DEP	2433.77	.00	2433.77	A70108	FEDERAL INCOME TAX
				156.24	.00	156.24	1A70108	FICA
				596.46	.00	596.46	2A70108	MEDICARE (FICA)
			Check Total.....:	3186.47	.00	3186.47		
13085	01/12/07	PER01	PERS RETIREMENT	5377.22	.00	5377.22	A70108	PERS PAYROLL REMITTANCE
13086	01/12/07	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A70108	WAGE ASSIGNMENT
13087	01/12/07	STA01	STATE STREET GLOBAL	1105.00	.00	1105.00	A70108	457 DEFERRED COMP
13088	01/12/07	MID02	MIDSTATE BANK - DIRECT DP	16540.74	.00	16540.74	70108A	NET PAY
013089	01/24/07	AME03	AMERI PRIDE	67.12	.00	67.12	F877796	UNIFORMS ETC
				73.59	.00	73.59	F883529	UNIFORMS ETC
			Check Total.....:	140.71	.00	140.71		
013090	01/24/07	BI002	BioHumaNetics INC.	3007.69	.00	3007.69	13011	BL WWTP SUPPLIES
013091	01/24/07	BOY01	BOYLE ENGINEERING CORP	32712.13	.00	32712.13	038895	WATERLINE INTERTIE PROJEC
				972.54	.00	972.54	038896	PCI-TRACT 2690
				288.90	.00	288.90	038898	PCI-TRACT 2558
				325.08	.00	325.08	038901	PCI-APN 090-143-005/007
				291.60	.00	291.60	038902	PCI-TRACT 2643
				17555.40	.00	17555.40	038903	SOUTHLAND WWTF MASTER PLA
				882.90	.00	882.90	038904	SOUTHLAND WWTF PHASE II
				463.05	.00	463.05	038908	PCI-TRACT 2758
				681.75	.00	681.75	038909	PCI-TRACT 2715
				317.25	.00	317.25	038910	PCI-TRACT 2734
				102.60	.00	102.60	038915	HETRICK WATELRINE
			Check Total.....:	54593.20	.00	54593.20		
013092	01/24/07	BRE02	BRENNTAG PACIFIC INC.	388.74	.00	388.74	BPI631663	CHLORINE *
				396.22	.00	396.22	BPI631664	CHLORINE
			Check Total.....:	784.96	.00	784.96		
013093	01/24/07	CAN02	CANNON ASSOCIATES	41892.49	.00	41892.49	39982	WATER & SEWER MASTER PLAN
013094	01/24/07	CAR04	CAR QUEST ARROYO GRANDE	95.73	.00	95.73	126576	TRUCK PARTS
				20.70	.00	20.70	126580	TRUCK SUPPLIES
				125.91	.00	125.91	131522	OPERATING SUPPLIES
				54.64	.00	54.64	132040	WELL SITE SUPPLIES
				14.69	.00	14.69	132050	WWTP SUPPLIES
				14.69	.00	14.69	132051	WWTP SUPPLIES
				139.05	.00	139.05	133023	SUNDALE WELL SUPPLIES
			Check Total.....:	465.41	.00	465.41		
013095	01/24/07	CIT02	CITY OF SANTA MARIA	19500.75	.00	19500.75	40910	CAROLLO ENGINEERS-WATER E
013096	01/24/07	CRE01	CREEK ENVIRONMENTAL LABS	256.00	.00	256.00	00012	WATER SAMPLES
				24.00	.00	24.00	00046	BL WWTP LAB
				200.00	.00	200.00	00047	TOWN WWTP LAB
				24.00	.00	24.00	00090	BL WWTP LAB
				24.00	.00	24.00	00130	BL WWTP LAB
				200.00	.00	200.00	N7796	TOWN WWTP LAB
				180.00	.00	180.00	00170	WELL COLIFORM LAB TEST
				176.00	.00	176.00	N77780	WATER SAMPLES
			Check Total.....:	1084.00	.00	1084.00		

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS JANUARY 19, 2007**

**AGENDA ITEM
D-1
JANUARY 24, 2007
PAGE TWO**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice # Description
013097	01/24/07	CSD01	CALIF SPECIAL DIST ASSOC	49.00	.00	49.00	19970 ETHICS TRAINING-DAN
				49.00	.00	49.00	20907 ETHICS TRAINING
			Check Total.....:	98.00	.00	98.00	
013098	01/24/07	CWE01	CWEA SSO-WDR WORKSHOP	85.00	.00	85.00	SLO022007 SEMINAR
013099	01/24/07	DEP03	DEPT OF HEALTH SERVICES	70.00	.00	70.00	RIG007 GRADE 1 WATER CERT RENEWA
013100	01/24/07	EBY01	EBY, ED	100.00	.00	100.00	012407 REG BD MEETING 012407
013101	01/24/07	ERI01	EMPLOYER RESOURCE INSTITU	299.00	.00	299.00	011707 SUBSCRIPTION-CAL/OSHA COM
013102	01/24/07	FGL01	FGL ENVIRONMENTAL	97.00	.00	97.00	612778A TOWN WWTP LAB
				187.00	.00	187.00	613045B TOWN WWTP LAB
				137.00	.00	137.00	613048B BL WWTP LAB
				112.00	.00	112.00	613222A BL WWTP LAB
				212.00	.00	212.00	613223A TOWN WWTP LAB
			Check Total.....:	745.00	.00	745.00	
013103	01/24/07	FIR01	FIRST AMERICAN REAL EST	1073.00	.00	1073.00	11778437 APN MAPS/OWNER DATA
013104	01/24/07	GAR01	GARING TAYLOR & ASSOC	2690.00	.00	2690.00	6974 PCI-MARIA VISTA
				161.42	.00	161.42	6975 SHOP EXPANSION
				1023.75	.00	1023.75	6976 PUDWILL MUTUAL WATER CO R
			Check Total.....:	3875.17	.00	3875.17	
013105	01/24/07	HAR02	HARRISON, JAMES	100.00	.00	100.00	012407 REG BD MEETING 012407
013106	01/24/07	KOE01	KOEHLER PLUMBING, INC	75.00	.00	75.00	470 BACK FLOW TEST
013107	01/24/07	NEW04	NEW PIG CORPORATION	160.81	.00	160.81	434956100 SUPPLIES
013108	01/24/07	NIP06	NIPOMO AUTO PARTS	62.81	.00	62.81	140993 SUPPLIES
013109	01/24/07	NIP08	NIPOMO CSD	196.80	.00	196.80	011007 LANDSCAPE MAINT DIST WATE
013110	01/24/07	PER06	CALPERS	288.00	.00	288.00	59-0778 SURVIVOR BENEFIT INSURANC
013111	01/24/07	REL01	RELIABLE	202.90	.00	202.90	FMM18500 OFFICE SUPPLIES
013112	01/24/07	RIC01	RICHARDS, WATSON, GERSHON	7952.92	.00	7952.92	149910 WATER RIGHTS ADJUDICATION
				22.50	.00	22.50	149911 COASTKEEPER LITIGATION
			Check Total.....:	7975.42	.00	7975.42	
013113	01/24/07	SAN09	SAN LUIS MAILING SERVICE	33.04	.00	33.04	31294A MAILING SERVICE
				90.87	.00	90.87	31294B POSTAGE FOR BILLS
				181.60	.00	181.60	31310A MAILING SERVICE
				904.50	.00	904.50	31310B POSTAGE FOR BILLS
			Check Total.....:	1210.01	.00	1210.01	
013114	01/24/07	SHI01	SHIPSEY & SEITZ, INC	11457.00	.00	11457.00	121506 LEGAL SERVICES THRU 12/15
013115	01/24/07	STA03	STATEWIDE SAFETY & SIGNS	166.24	.00	166.24	52405 SUPPLIES
				44.98	.00	44.98	52406 SUPPLIES
			Check Total.....:	211.22	.00	211.22	
013116	01/24/07	TGP01	TGP WEST, INC.	528.85	.00	528.85	3571 SUNDALE MAINT
013117	01/24/07	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	012407 REG BD MEETING 012407
013118	01/24/07	USA01	USA BLUEBOOK	142.47	.00	142.47	296013 SUPPLIES FOR WELLS
				366.54	.00	366.54	296194 HAZEL LS SUPPLIES
			Check Total.....:	509.01	.00	509.01	
013119	01/24/07	VAL01	VALLEY SEPTIC SERVICE	1033.60	.00	1033.60	3753 JETTING SEWER LINE
013120	01/24/07	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	012407 REG BD MEETING 012407
013121	01/24/07	WIN01	WINN, MICHAEL	100.00	.00	100.00	012407 REG BD MEETING 012407
013122	01/24/07	XER01	XEROX CORPORATION	85.18	.00	85.18	22390337 COPIER MAINT

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: JANUARY 19, 2007

AGENDA ITEM
D-2
JANUARY 24, 2007

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 42 - Years of Service 1965 - 2007

MINUTES

JANUARY 10, 2007 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

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

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
DAN MIGLIAZZO, **UTILITY SUPERVISOR**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Winn called the meeting to order at 9:00 a.m. and led the flag salute.

00:00:30

B. ROLL CALL AND ACKNOWLEDGEMENT OF LARRY VIERHEILIG'S PRESIDENCY

At Roll Call, all Board members were present.

President Winn presented past President Vierheilig with an engraved gavel as a small token of appreciation for his service as president for the past two years. Director Vierheilig thanked the Board and staff for the gavel.

President Winn made an announcement about the agenda for today. There will be a Special Meeting for a Closed Session item to be held concurrently with the regular meeting. The Open Session of the meeting today will end by 11:00 a.m. Some items may not be attended today. He asked, if there was public comment on Item E-1, which likely will not be heard, that the comment be spoken in the Public Comments period of the agenda. There will be an extended Closed Session. The limited time meeting is to accommodate Staff and two Board members who will be attending a WRAC meeting to be held in San Luis Obispo at 1:30 p.m.

00:03:50

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) COMMANDER BASTI OF SOUTH COUNTY SHERIFF'S STATION

Commander Martin Basti presented information concerning the Sheriff's activities on the Nipomo Mesa.

Monday, January 8, 2007, the Sheriff was sworn in for a third term.

In December, there was a shooting and a stabbing. There was a major burglary at an RV dealer. Ninety-eight percent of the merchandise was recovered.

The Sheriff's Department is working with the CHP on the hit and run on Thompson Rd. Eight more deputies started Monday and six more will start training.

The Department is working on a \$600,000 grant for the 290 Sexual Offenders Compliance. This is a cooperative effort between, SLO County, Santa Barbara and Ventura Counties. Currently SLO County is at 98% compliance.

He thanked the Board for putting him on the agenda each month.

The Board thanked Commander Basti for his report.

00:06:37

C-2) BATTALION CHIEF BILL FISHER OF CA DEPARTMENT OF FORESTRY (CDF)

Battalion Chief Bill Fisher presented information concerning the CDF activities on the Nipomo Mesa. The Nipomo Station 20 had 80 calls for December: 6 Fires, 44 Medical Aids, 13, Traffic Collisions, and 17 other. The Mesa Station 20 had 49 calls: 8 Fires, 20 Medical Aids, 11 Traffic Collisions and 10 others. A rescue drill was held at the Conoco Phillips plant with Engine 20 and 22.

Station 20 will receive a new Medic Engine 20 this month. It will hold 500 gallons of water, a 2000 gallon per minute pump, a Class "A" foam system, and a thirty- five foot ladder.

The Board asked questions and then thanked Battalion Chief Fisher for his report.

C-3) MIKE EISNER OF NIPOMO INCORPORATION COMMITTEE

Presentation re: Status of Incorporation Effort & Request for Participation

Mr. Eisner's presentation is postponed until a future meeting.

00:10:05

C-4) MIKE NUNLEY OF BOYLE ENGINEERING

Mike Nunley reviewed the progress of the comparison of water supply options. He noted that this project will be completed in three phases. Mr. Nunley, Dr. Brad Newman (SAIC) and Bob Beeby (SAIC) met with Bruce Buel on January 9, 2007, and discussed evaluating different water sources. Technical Memo 1 analyzes the constraints of all the water supply options, which were discussed in the December Board meeting. Those options to be evaluated include: Santa Maria Valley groundwater at south end of Hutton Road, Santa Maria Valley groundwater at the Bonita Well Site, desalination of sea water and brackish water (or irrigation run-off), participation in the Nacimiento Project, recharge of treated wastewater from Southland Wastewater Treatment Plant as exchange for agricultural water.

Technical Memo #2 consists of a detailed evaluation of the Santa Maria Valley groundwater options at south end of Hutton Road and at the Bonita Well Site, as well as the CCWA exchange water at the Nipomo turn-out at Tefft and Thompson.

Technical Memo #3 is an evaluation of the desalination options, participation in the Nacimiento Project, recharge of treated wastewater in exchange of treated wastewater for agricultural water.

Technical Memo #1 should be submitted by April 9, 2007, # 2 by May 9, 2007 and # 3 by August 7, 2007. Two presentations will be made to the Board and two workshops will be held for public outreach. Schedules will be established.

Director Vierheilig asked for an accounting of expenditures for the three technical memos.

Bruce Buel, General Manager, explained that an accounting of the first phase (Technical Memo #1) will be presented and the Board can make a determination at that time whether or not to continue. Memo 2 & 3 of the phases will overlap. Some seasonal reports (such as biological and hydrological studies) are being prepared. Mr. Nunley stated that a draft of the water system analysis has been received from Corollo Engineering and is being reviewed by Boyle. Permitting or biological surveys are in the process and should be completed by the end of February.

The Board thanked Mr. Nunley for his report.

00:19:20

C- 5) STAFF UPDATE ON DISCUSSIONS WITH BLACKLAKE RE: BOOSTER STATION

Bruce Buel, General Manager, stated that both Dee Jaspar & Associates and Boyle Engineering have been retained to perform tasks related to the Blacklake Booster Station. Two reports are forthcoming and will be shared with the Blacklake community by the first meeting in February.

00:20:50

C-6) HERB KANDEL OF THE LAND CONSERVANCY

Herb Kandel of the Land Conservancy presented information concerning the Nipomo Watershed Management Plan. It is available on line for viewing at http://www.special-places.org/ecm/Conservation_Planning/Nipomo_Creek_Watershed_Management_Plan. The program was developed with community and landowner input. It has three main elements:

1. Water quality and biological monitoring,
2. Riparian restoration,
3. Protection of land with important natural resources.

He asked that the NCS D Board consider the watershed area when making decisions on water use.

Bob Hill, Conservation Director of the SLO Land Conservancy, presented information to the Board by showing slides. A copy of the slides is available for viewing in the District office.

Herb Kandel asked the Board to consider recharge of the basin when considering supplemental water, as enhancements to the watershed help recharge the basin. He suggested a field trip to the Port San Luis Lighthouse, which has two basins about 24 feet deep to collect rainwater. He thanked the Board for hearing their report.

Director Winn asked if the presentation is available. Dr. Kandel stated that he would leave the disc with the District for copying.

00:44:03

C-7) PUBLIC COMMENT ON PRESENTATIONS AND ITEMS NOT ON AGENDA

Jesse Hill, Holloway representative – stated that he would like to have the Holloway project put on the next agenda for a possible Outside User Agreement. He would like to have a demand calculation for the Water Management Area.

James Christiansen, NCS D resident – commented to the Board about the growth, traffic and supplemental water.

Mike Riley, Nipomo resident – asked several questions:

- What would be an estimate of collecting run-off and funneling it into a reservoir rather than water running to the ocean?
- Who is responsible for issuing building permits?
- Are there salination meters near the ocean to monitor salt water creeping in?
- How does Woodlands having their own local wells affect the groundwater supply?

John Snyder, Nipomo resident – stated that there is a lot of controversy about how much water we have. He stated that he asked for well data but is asking for more accurate information so he can calculate well levels, etc.

Carl Holloway, Nipomo resident – asked the Board for an Outside User Agreement and would like to be on the next agenda. He also stated that a good place for a reservoir is below Carrillo Creek, because it floods and fills every year.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

C-7) PUBLIC COMMENT ON PRESENTATIONS AND ITEMS NOT ON AGENDA
(continued)

Bruce Buel, General Manager, commented on some of the questions.

- Development – SLO County approves projects (land use). NCSD is a service provider within our service area. Woodlands Project is totally out of the District boundary. The District commented extensively on the Woodlands Project.
- Setting water meters – NCSD sets water meters for approved projects. There is currently allocation for 51 acre feet per year. The adjudication requires a management of the Mesa.
- The County is responsible for traffic lights. County Public Works deals with the circulation of traffic.
- Dam on the Nipomo Creek – ties to adjudication of water rights. Property owners downstream have rights to the water flow.
- Monitoring Wells near ocean – There are three existing wells but the U.S. Wildlife Service and the Dept. of Fish & Game have requested that data not be processed from those sites. Next week the District will be monitoring one well for water level and quality data (salinity, chlorides and sodium).
- Woodlands impact on groundwater basin – Will be intensely scrutinized by the monitoring group

Director Trotter stated that District representatives went before the SLO Board of Supervisors to comment on the impact of the Woodlands project. Woodlands is obligated to buy supplemental water.

Director Harrison suggested that Mr. Christiansen and Mr. Riley attend the meetings of the SCAC that advises the County Board of Supervisors.

01:09:01

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) BOARD MEETING MINUTES [RECOMMEND APPROVAL]
 - Approve Minutes of December 6, 2006, Special Meeting
 - Approve Minutes of December 9, 2006, Special Meeting
 - Approve Minutes of December 13, 2006, Regular Meeting
- D-3) ACCEPT TEFPT STREET LIFT STATION FENCE
- D-4) ACKNOWLEDGE PRESIDENT'S 2007 APPOINTMENTS TO AGENCIES AND COMMUNITY ORGANIZATIONS
- D-5) AMEND WATER CONSERVATION SPECIALIST JOB DESCRIPTION
- D-6) AMEND GENERAL MANAGER EMPLOYMENT AGREEMENT TO MODIFY CAR ALLOWANCE
- D-7) REFER REVIEW OF EMPLOYEE LONG TERM ENTITLEMENTS TO COMMITTEE
- D-8) REFER REVIEW OF WATER CONSERVATION PROGRAM, EMERGENCY SUPPLY ORDINANCE, AND RETROFIT PROPOSAL TO NEWLY FORMED AD HOC COMMITTEE

Bruce Buel, General Manager, reviewed the items on the Consent Agenda. President Winn asked to pull Items D-4 and D-5 for separate consideration.

There were corrections in the Minutes of December 9 and 13, 2007. Upon motion of Director Vierheilg and seconded by Director Eby, the Board unanimously approved Items D-1,2,3,6,7 & 8 of the Consent Agenda, as amended. There was no public comment. Vote 5-0.

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

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

D. CONSENT AGENDA (continued)

D-4 Upon motion of Director Eby and seconded by Director Vierheilig, the Board unanimously agreed to accept the appointments of the delegates to WRAC. There was no public comment. Vote 5-0.

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

Upon motion of Director Eby and seconded by Director Trotter, the Board unanimously approved the remainder of the appointments. There was no public comment. Vote 5-0.

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

D-5 Bruce Buel, General Manager, described the change in Item 4 of the job description. The Board discussed a few other changes. Upon motion of Director Vierheilig and seconded by Director Trotter, the Board unanimously approved Resolution 2007-1001, including the changes. There was no public comment. Vote 5-0.

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

**RESOLUTION NO. 2007-1001
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE DISTRICT PERSONNEL POLICY TO AMEND THE
JOB TITLE AND JOB DESCRIPTION OF THE
CONSERVATION AND PUBLIC INFORMATION SPECIALIST**

01:24:35

E. ADMINISTRATIVE ITEMS

E-1) REVIEW WATER ALLOCATION AND ANNEXATION OPTIONS AND DEVELOP PROPOSAL FOR SUBSEQUENT CONSIDERATION

The Board tabled this item to a future meeting.

E-2) NOT USED

01:25:08

E-3) SELECT STANDING COMMITTEE MEMBERSHIP

Bruce Buel, General Manager, explained the process to elect members of the standing committees. Upon motion of Director Vierheilig and seconded by Director Harrison, the Board unanimously approved the following standing committees:

- Supplemental Water Project Design & Construction
- Finance/Audit/Personnel
- Parks

There was no public comment. Vote 5-0.

Director Vierheilig nominated Director Trotter to Chair the Supplemental Water Project Design & Construction Standing Committee. There were no other nominations. There was no public comment. Upon motion of Director Winn and seconded by Director Harrison, the Board unanimously agreed to close the nominations. Voice vote 5-0.

Nipomo Community Services District
REGULAR MEETING
MINUTES

E-3) SELECT STANDING COMMITTEE MEMBERSHIP (continued)

Director Trotter nominated Director Eby as member to the Supplemental Water Project Design & Construction Standing Committee. There were no other nominations. There was no public comment. Upon motion of Director Vierheilg and seconded by Director Winn, the Board unanimously agreed to close the nominations. Voice vote 5-0.

Director Winn nominated Director Vierheilg to Chair the Finance/Audit/Personnel Standing Committee. There were no other nominations. There was no public comment. Upon motion of Director Trotter and seconded by Director Eby, the Board unanimously agreed to close the nominations. Voice vote 5-0.

Director Vierheilg nominated Director Trotter as member to the Finance/Audit/Personnel Standing Committee. There were no other nominations. There was no public comment. Upon motion of Director Eby and seconded by Director Harrison, the Board unanimously agreed to close the nominations. Voice vote 5-0.

Director Trotter nominated Director Winn to Chair the Parks Standing Committee. There were no other nominations. There was no public comment. Upon motion of Director Vierheilg and seconded by Director Eby, the Board unanimously agreed to close the nominations. Voice vote 5-0.

Director Winn nominated Director Vierheilg as member to the Parks Standing Committee. Director Vierheilg declined the nomination and nominated Director Harrison as member to the Parks Standing Committee. There was no public comment. Upon motion of Director Eby and seconded by Director Vierheilg, the Board unanimously agreed to close the nominations. Voice vote 5-0.

The assignments are as follows:

<u>Standing Committees</u>	<u>Chair</u>	<u>Member</u>
Supplemental Water Project Design & Construction	Director Trotter	Director Eby
Finance/Audit/Personnel	Director Vierheilg	Director Trotter
Parks	Director Winn	Director Harrison

01:40

E-4) RECEIVE RECOMMENDATION FROM PARKS COMMITTEE REGARDING PROPOSED SURVEY AND AUTHORIZE OR REJECT SURVEY REQUEST FOR PROPOSAL

Bruce Buel, General Manager, reviewed the discussion during the Parks Committee meeting. The Committee discussed a survey to for the purposes as follows:

- To secure feedback from the community concerning the support for NCSD to develop neighborhood parks, the priorities amongst facilities, and the willingness to pay for neighborhood parks;
- To get a current reading of community sentiment that is unbiased; and
- To educate the Community regarding the cost of parks and the respective roles of the County and NCSD.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

E-4) RECEIVE RECOMMENDATION FROM PARKS COMMITTEE REGARDING PROPOSED SURVEY AND AUTHORIZE OR REJECT SURVEY REQUEST FOR PROPOSAL (continued)

The Board discussed the two methods (mail and phone) of surveying the public and whom to survey. There was no public comment. Upon motion of Director Vierheilg and seconded by Director Harrison, the Board agreed to have staff send out a Request for Proposals (RFP) for a parks phone survey for public opinion to cover the District boundary and the immediate SOI (Sphere of Influence) boundary with separate results for the sample taken inside each area. Vote 5-0.

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

01:59:10

F. MANAGER'S REPORT

Bruce Buel, General Manager, reported that one application was received for the District Engineer position. An interview will be set soon.
The Assistant to the General Manager hopefully will be starting January 22, 2007.

G. COMMITTEE REPORTS

1.) RECEIVE MINUTES FROM 12/11/06 PARKS

H. DIRECTORS' COMMENTS

Director Eby asked about an announcement in the Board of Supervisors Agenda concerning the Craig property and an Intent-to-Serve letter requirement.

I. CLOSED SESSION ANNOUNCEMENTS

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

1. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS NCSO SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSO CASE NO. CV 040877
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; SAN LUIS OBISPO COASTKEEPER VS. NCSO (CASE NO. CV060349)
4. INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(C)
5. CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 MARIA VISTA ESTATES VS. NCSO (CASE NUMBER 061079) AND MARIA VISTA ESTATES VS. LINDA VISTA FARMS, NCSO AND ET AL (CASE NUMBER 040150)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.
The Board took a break at 11:00 a.m.

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

K. ADJOURN TO CLOSED SESSION

The Board convened to Closed Session at 11:07 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session. Jon Seitz, District Legal Counsel, announced the following:

Item I-1 The Board heard an update from legal counsel. There was no reportable action.

Item I-2 The Board heard an update from legal counsel. There was no reportable action.

Item I-3 The Board heard an update from legal counsel. There was no reportable action.

Item I-4 The Board heard an update from legal counsel on what is commonly known as the DeGroot General Plan Amendment. Upon motion of Director Harrison and seconded by Director Eby, the Board unanimously agreed to initiate litigation and retain the services of McDonough, Holland and Allen to assist in defending the case. Vote 5-0

Item from Special Meeting agenda (#5)

1. Maria Vista Estates vs. NCSD The Board instructed legal counsel to defend the litigation and authorized legal counsel to retain the services of McDonough, Holland and Allen to assist in defending the case. Vote 5-0

2. Maria Vista Estates vs. Linda Vista Farms, et al. District vs. Maria Vista
The Board heard an update from legal counsel. Upon motion of Director Vierheilig and seconded by Director Trotter, the Board unanimously agreed to instruct legal counsel to review and respond to plaintiff's motion for consolidation and joinder and instructed legal counsel that he could employ special counsel for assistance. This litigation has been referred to the District's insurance carrier for defense. Vote 5-0

ADJOURN

➤ **THE NEXT REGULAR BOARD MEETING IS JANUARY 24, 2006.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Southland WWTF Master Plan
- Southland Shop Upgrade Environmental Determination
- Consideration of Strategic Action Plan

➤ **THE NEXT SPECIAL BOARD MEETING IS JANUARY 17, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Desalination Technology

➤ **THE FOLLOWING SPECIAL BOARD MEETING IS FEBRUARY 21, 2007.**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Southland WWTF Master Plan
- Water and Sewer Master Plan

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL *BB*
 DATE: JANUARY 19, 2007

**AGENDA ITEM
 D-3
 JANUARY 24, 2007**

INVESTMENT POLICY – FOURTH QUARTER REPORT

The Board of Directors have adopted an Investment Policy for NCSD which states that the Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the Board of Directors.

Below is the December 31, 2006 Quarterly Report for your review. The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the Investment Policy.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2006 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and minute order.

INVESTMENT POLICY-FOURTH QUARTER REPORT 12/31/06

Investment	Institution	Amount of Deposit 12/31/06	Rate of Interest	Quarterly Interest Earned or Accrued 12/31/06	Amount of Deposit 12/31/05	Rate of Interest	Quarterly Interest Earned or Accrued 12/31/05
Money Market	Mid State Bank	\$34,563.00	.25%	\$66.30	\$42,822.58	0.25%	\$72.99
Savings	Mid State Bank	\$901.13	.50%	\$2.27	\$893.79	0.50%	\$1.13
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$18,654,983.31	5.11%	\$237,262.13	\$16,726,448.41	3.63%	\$151,865.64
Certificate of Deposit (COP)	Mid State Bank	\$1,887,514.86	4.50%	\$21,155.31	Previously held by Bank of New York Trust Agent		

ATTACHMENTS

None

t:\board matters\board meetings\board letter\board letter 2007investment qtrly 12-31-06.doc

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL **B&B**
DATE: JANUARY 19, 2007



DISTRICT INVESTMENT POLICY 2007

ITEM

Annual adoption of District Investment Policy

BACKGROUND

The California Government Code Section 53646 (2) requires local government entities adopt an annual investment policy.

GC§ 53646(2) reads as follows:

In the case of any other local agency, the treasurer or chief fiscal officer of the local agency shall annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

RECOMMENDATION

Staff recommends that the Board approve Resolution 2007-invest adopting the Year 2007 District Investment Policy.

ATTACHMENTS

Investment Policy
Resolution

t:\documents\board matters\board meetings\board letter 2007\investment policy.doc

RESOLUTION NO. 2007-

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2007 DISTRICT INVESTMENT POLICY**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("District") believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle, and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District as follows:

1. The District hereby adopted the Investment Policy attached hereto as Exhibit "A" as the District's Investment Policy;
2. The District General Manager shall act as Treasurer/Finance Officer of the District and is authorized to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period or until such time as the delegation of authority is revoked.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 24th day of January, 2007 on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

**RESOLUTION 2007-
EXHIBIT A**

**YEAR 2007 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of Nipomo Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Administrative Assistant shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

**RESOLUTION 2007-
EXHIBIT A**

YEAR 2007 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code § 61730)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61737.02).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs **A** (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

**RESOLUTION 2007-
EXHIBIT A**

YEAR 2007 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT

7. REPORTS

A. MONTHLY REPORT

Finance Officer/Treasurer shall make monthly reports to the Board of investments made or retired during the preceding month.

B. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable)

C. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

D. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.