

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: JUNE 22, 2007



REVIEW DRAFT SUPPLEMENTAL WATER PROJECT CONSTRAINTS ANALYSIS

ITEM

Review draft Supplemental Water Project Constraints Analysis [PROVIDE POLICY GUIDANCE].

BACKGROUND

Boyle Engineering published its draft Supplemental Water Projects Constraints Analysis on June 14, 2007 (copies provided to the Board under separate cover and posted on the District's Website). The Supplemental Water Project Design and Construction Committee reviewed the draft on June 18, 2007, and forwarded recommendations to the Board (see attached Minutes). President Winn has also submitted the attached memo for Board consideration.

RECOMMENDATION

The Constraints Analysis concludes that Nacimiento and Santa Maria Valley Groundwater have fatal flaws; that Brackish Agricultural Drainage should not be considered further; that Desalination has a very long lead time; and that State Water has legal and political complications. Thus, the five "true supplemental" water projects examined all have challenges that would argue for a more rigorous examination of the original Waterline Intertie Project (WIP). Given the cost of the WIP, however, the District may be better served by attempting to re-negotiate the basis of water delivery from the City of Santa Maria.

As set forth in President Winn's memo, NCSD could propose what appears to be an attractive offer to the City based on taking only the amount of water that the City would otherwise have sold NCSD and paying for the full entitlement but at Thompson instead of Blosser. In this scenario, NCSD would pay more per acre foot but it would avoid spending \$24 to \$26 million. NCSD would still need to develop a companion source of water, such as desalination, to make up for the portion of the supply that the City would no longer be obligated to deliver, but the City is not expected to convert to groundwater mixing in the immediate future.

Therefore, staff recommends that the Board focus Boyle's efforts into evaluating President Winn's concept and develop a proposal for presentation to the City of Santa Maria. This short term strategy could look at where a turnout, storage and a booster station could best be located, detailing the process for approval, and developing projections for the drop in delivery as the City initiates mixing.

Staff further recommends that the Board direct Boyle to evaluate the process and the costs for developing Desalination as a long-term component to NCSD's water planning.

Finally, staff recommends that the Board request that Cannon revise the Supplemental Water portions of the Water and Sewer Master Plan projects listing to evaluate the water system upgrades needed to accommodate Supplemental Water delivered on Thompson (from a CCWA turnout) and Willow Road (from a desalination source).

ATTACHMENTS

- SWP 6/18/07 COMMITTEE MEETING MINUTES
- MEMO FROM PRESIDENT WINN



NIPOMO COMMUNITY SERVICES DISTRICT

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MINUTES OF THE 6/18/07 MEETING OF THE SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Trotter called the Special Meeting to order at 3pm in the NCSD Board Chambers. Both Chairman Trotter and Director Eby were in attendance along with staff members Bruce Buel and Celeste Whitlow; Boyle representatives Mike Nunley and Malcolm McEwen; and six members of the public. Chairman Trotter described the purpose and format of the meeting.

2. REVIEW BOYLE TECHNICAL MEMORANDUM #1 – CONSTRAINTS ANALYSIS

Bruce Buel provided an overview of the constraints analysis and introduced Mike Nunley and Malcolm McEwen of Boyle. Mike Nunley distributed a Summary of the Constraints Analysis and Malcolm McEwen used the Summary to describe the options evaluated and the conclusions reached. Mike Nunley then presented Boyle's recommendations for short term and long term solutions. In regards to short term solutions, Mike Nunley recommended that NCSD focus on the Waterline Intertie Project (WIP) and that Boyle be directed to perform a series of value engineering exercises to revise and finalize the November 2006 Preliminary Engineering Memorandum. In terms of long term solutions, Mike Nunley recommended that NCSD focus on desalination and that Boyle be directed to prepare a second Technical Memorandum detailing the process for development of a desalination project. Committee discussion followed on the Constraints Technical Memorandum and Boyle's recommendations. Ed Eby requested more information on access to state water at Tefft and Thompson; an analysis of changes to the WIP if groundwater management options were to reduce the amount of water to be transported; and a chart summarizing cost and scheduling information. Cliff Trotter requested information on the status of the South SLO County Sanitation District's evaluation of desalination and the availability of surplus capacity in the CCWA Pipeline. Ed Eby indicated that constructing a turn-out at Tefft and Thompson had a lower probability of large cost overruns than the Waterline Intertie Project. Bruce Buel suggested that the District consider a "hybrid" short term project in addition to the original Waterline Intertie Project. The hybrid would include purchase of water from the City of Santa Maria at Tefft and Thompson along with development of new groundwater sources to mimic the mix of CCWA Water and groundwater that would otherwise be purchased from the City under the WIP.

**MINUTES OF THE 6/18/07 MEETING OF THE
SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE
Page 2**

Chairman Trotter then called for public comment. John Snyder requested that NCSD look at the impacts of the different water sources on wastewater quality and at disposal of brine in deep wells. Mr. Snyder also stated his opinion that NCSD could claim the yield from return flow for projects importing non-basin water and thereby reduce the cost per acre foot estimates for these projects; that the water rights litigation could prohibit recharge in areas that would deprive the Santa Maria Sub-Basin of transfer flows; and that purchase of Santa Maria Water may extinguish NCSD's ability to appropriate Nipomo Mesa groundwater.

The Committee then reviewed the Draft Constraints Technical Memorandum on a page by page basis with a request to Boyle to revise the text to correct typos, clarify issues and to add more information. Boyle agreed to prepare the Chart requested by Ed Eby so that the chart could be reviewed by the Board at its June 27, 2007 Meeting.

Following an extensive discussion of recommendations, Ed Eby moved to recommend to the Board that NCSD focus on desalination as the long term solution; to focus on the WIP and the Hybrid Proposal including purchase of City of Santa Maria water at Tefft and Thompson as competing short term solutions; and to set a long term goal of being self reliant through development of desalination. Cliff Trotter seconded the motion, which passed unanimously.

3. SET NEXT COMMITTEE MEETING

The Committee agreed by consensus that Chairman Trotter would call the next meeting when it was needed. There was no public comment.

4. ADJOURNMENT

Chairman Cliff Trotter thanked the public for participating. Chairman Trotter adjourned the meeting at 5:20pm.

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Bruce Buel

From: Michael Winn [mwinn@charter.net]
Sent: Monday, January 22, 2007 8:57 AM
To: Bruce Buel; Seitz, Jon
Subject: Potential Solution?

Attachments: 0701 Pricing Modality draft.doc



0701 Pricing
Modality draft.do...

Bruce and Jon,

Attached is an idea I've roughed out that might persuade Santa Maria to sell us CCWA Project Water to be taken at somewhere on Thompson Avenue. Basically, the idea is to buy water from them at varying rates, depending on the percentage of Project Water in their mix. I stopped calculating at a one-third CCWA mix, because S.M. staff have made it clear that they would not go lower.

At the highest price thus generated, we'd still be paying less than they are requiring Carpentaria to pay; and our construction savings (from ~\$27M down to ~\$3M) would be significant.

Nothing in the idea is sacred and there is no ownership at stake, but if you see something usable (or that could be modified and thus made usable), feel free to pass it along to Jim Markman for further review.

Mike

Draft Idea for Pricing Santa Maria Water Taken in Nipomo

in such a way as to ensure equal profit for Santa Maria
as if taken inside S.M.

% of CCWA Project Water in S.M. City mix	Cost to NCSD per acre/foot of Project Water	Cost to NCSD customers per acre/foot mix
100%	\$1,250	\$1,250
90%	$10/9 \times 1,250$	1,388.89
80%	$10/8 [1.25] \times 1,250$	1,562.50
70%	$10/7 \times 1,250$	1,785.71
60%	$10/6 \times 1,250$	2,083.33
50%	$2 \times 1,250$	2,500
40%	$10/4 [2.5] \times 1,250$	3,125
33%	$3 \times 1,250$	3,750

Notes:

S.M. would save costs of pumping its groundwater that would have been sent to Nipomo in its mix.

S.M. would retain that portion of its groundwater that would have been sent to Nipomo, making it available for sale elsewhere.

Price calculations would be based on S.M. pumping proportions on a per-day basis on such days as Nipomo took Project Water.

Nipomo would contract to take 2,000 afy of CCWA Project Water, regardless of the % in the S.M. City mix.

ver. 070102

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: JUNE 22, 2007

**AGENDA ITEM
E-2
JUNE 27, 2007**

UPDATE ON BLACK LAKE WWTF POND #3 LINER PROJECT

ITEM

Receive update on Black Lake WWTF Pond #3 Liner Replacement Project bid. [RECEIVE UPDATE AND CONTINUE CONSIDERATION OF BID AWARD TO JULY 25, 2007 MEETING].

BACKGROUND

Your Honorable Board previously approved the design for the Black Lake WWTF Pond #3 Liner Replacement Project and authorized processing of formal bids. Staff advertised the project on May 29, 2009 and held a Pre-Bid Conference on June 14, 2007 at which nine contractors participated. On June 21, 2007, staff conducted the bid opening. Five contractors submitted bids, which are valid through September 21, 2007. Attached is a summary of the bids received (Bid Submittals are available for review at NCSD Office). Staff is still evaluating these bids.

It should be noted that four of the five bids are under the Engineer's Cost Estimate of \$175,376

RECOMMENDATION

Staff recommends that your Honorable Board receive this update and continue consideration of this item to the July 25, 2007 Board Meeting, to facilitate review of the bids. Staff anticipates that it will provide a recommendation regarding the award of the bid prior to this meeting.

ATTACHMENT

- * Summary of Bids Received.

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**BLACK LAKE POND LINER BIDS
JUNE 21, 2007**

	COMPANY	BASE BID
1.	Simons	\$168,747.00
2.	Sansone	\$149,800.24
3.	Spiess	\$227,086.00
4.	Raminha	\$127,454.00 *
5.	Elevation	\$152,214.00

* Subject to review for irregularity

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TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: JUNE 22, 2007

**AGENDA ITEM
E-3
JUNE 27, 2007**

REVISE PARKS CITIZENS SUB-COMMITTEE SELECTION CRITERIA

ITEM

Revise selection criteria for nominations of In-District Members to Citizen's Advisory Sub-Committee [REVISE SELECTION CRITERIA].

BACKGROUND

Your Honorable Board in April agreed on the attached selection criteria and set this meeting as the date for appointment of the In-District citizen members. This item has been placed on this agenda since several Directors have had trouble identifying nominees that qualify based on the old selection criteria. If the Board can revise the Selection Criteria at this meeting, then the Board could reset the appointment date at a subsequent Board Meeting.

RECOMMENDATION

Staff recommends that the District revise the selection criteria to waive the proximity criteria (Criteria IB and IIB) and allow for nominees to either reside in the District or own a business within the District (Criteria IA).

Staff recommends that the appointment date be set back to August 8th with submittal of nominations to staff no later than July 25, 2007.

ATTACHMENT

- Original Selection Criteria



DRAFT

PARKS CITIZENS ADVISORY SUB-COMMITTEE SELECTION CRITERIA

I. CRITERIA FOR 5 IN-DISTRICT MEMBERS

- A. Resided in District for at least five years
 - B. Cannot reside or own property within 500' of the boundary of the Nipomo Community Park, the Kaminaka Property or the Proposed Miller Park.
 - C. Not a member of NCSD
 - D. Some History of Public or Civic Service in Nipomo
- * Previous experience in Parks and Recreation maybe a plus

II. CRITERIA FOR 2 SOI MEMBERS

- A. Resided in area of current SOI for at least five years
 - B. Cannot reside or own property within 500' of boundary of the Nipomo Community Park, the Kaminaka Property or the Proposed Miller Park.
 - C. Not a member of NCSD
 - D. Some History of Public or Civic Service in Nipomo
- * Previous experience in Parks and Recreation maybe a plus

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: JUNE 22, 2007

AGENDA ITEM
E-4
JUNE 27, 2007

REVIEW PROPOSAL TO INCREASE INTENT-TO-SERVE FEES

ITEM

Review staff proposal to increase fees for processing of Intent-To-Serve Letters [EDIT PROPOSAL AND SET DATE FOR ADOPTION].

BACKGROUND

Your Honorable Board last set the administrative fee for processing Intent-To-Serve Letters at \$50 in 2002 (Resolution 2002-842). The current fee is intended to pay for the costs of administrative processing, whereas the costs of inspection and field crew time is tracked and billed separately. As discussed in the Budget workshops this Spring, the actual office (non-field) cost to processing Intent-To-Serve Letters is much higher than \$50. Attached is a spreadsheet displaying staff's estimated administrative cost for different types and sizes of projects. Also attached is a summary of the costs for staff time.

RECOMMENDATION

Staff believes that the current \$50 fee does not cover NCSD's actual out-of-pocket expenses and that it should be amended. Staff proposes that your Honorable Board determine if you are comfortable with the attached fee proposal, and either edit the proposal or authorize staff to prepare a resolution for subsequent consideration. If there are limited edits, staff would be ready to propose a resolution for adoption at your August 8, 2007 Board Meeting.

ATTACHMENTS

- Proposed Fee Schedule
- Staff Cost Listing

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ADMINISTRATIVE COST ESTIMATES FOR ITS LETTER APPLICATION PROCESSING
excludes third party plan check, third party legal and inspection costs

PROJECT SIZE/TYPER

	LABOR COSTS				LABOR TOTAL	OVER-HEAD (15% of Labor)	TOTAL
Residential <3 Units							
Position	GM	ENG	AGM	SECR			
Est Hours		1	4	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	105.77	396.4	134.18	177.24	813.59	122.04	935.63
Residential 4 to 20							
Position	GM	ENG	AGM	SECR			
Est Hours		2	6	2	4		
Fy07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	211.54	594.6	134.18	177.24	1117.56	167.63	1285.19
Residential >20 Units							
Position	GM	ENG	AGM	SECR			
Est Hours		2	8	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	211.54	792.8	134.18	177.24	1315.76	197.36	1513.12
Commercial <1ac							
Position	GM	ENG	AGM	SECR			
Est Hours		2	6	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	211.54	594.6	134.18	177.24	1117.56	167.63	1285.19
Commercial 1-3ac							
Position	GM	ENG	AGM	SECR			
Est Hours		2	8	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	211.54	792.8	134.18	177.24	1315.76	197.36	1513.12
Commercial >3ac							
Position	GM	ENG	AGM	SECR			
Est Hours		3	12	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	317.31	1189.2	134.18	177.24	1817.93	272.69	2090.62
Mixed Use <3 Dus							
Position	GM	ENG	AGM	SECR			
Est Hours		2	8	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	211.54	792.8	134.18	177.24	1315.76	197.36	1513.12
Mixed Use 4+ Dus							
Position	GM	ENG	AGM	SECR			
Est Hours		3	12	2	4		
FY07-08 Rate	105.77	99.1	67.09	44.31			
FY07-08 COST	317.31	1189.2	134.18	177.24	1817.93	272.69	2090.62

**NIPOMO COMMUNITY SERVICES DISTRICT
 PLAN CHECK AND INSPECTION
 DISTRICT EMPLOYEE RATES
 EFFECTIVE JULY 1, 2007**

	<u>General Manager</u>	<u>District Engineer</u>	<u>Assistant Administrator</u>	<u>Secretary</u>	<u>Billing Clerk</u>	<u>Conservation Specialist</u>
Annual Salary	\$110,000.00	\$103,068.00	\$69,771.00	\$46,079.00	\$41,805.00	\$38,849.00
Annual Hours	2080	2080	2080	2080	2080	2080
Hourly Rate	\$52.88	\$49.55	\$33.54	\$22.15	\$20.10	\$18.68
Billing Factor X	2	2	2	2	2	2
Billing Rate	\$105.77	\$99.10	\$67.09	\$44.31	\$40.20	\$37.35

	<u>Utility Superintendent</u>	<u>Utility Supervisor</u>	<u>Inspector/ Maint Sup</u>	<u>Utility Operator</u>	<u>Utility Worker</u>	<u>Maintenance Worker</u>
Annual Salary	\$61,728.00	\$66,432.00	\$68,100.00	\$48,365.00	\$39,793.00	\$31,953.00
Annual Hours	2080	2080	2080	2080	2080	2080
Hourly Rate	\$29.68	\$31.94	\$32.74	\$23.25	\$19.13	\$15.36
Billing Factor X	2	2	2	2	2	2
Billing Rate	\$59.35	\$63.88	\$65.48	\$46.50	\$38.26	\$30.72

Notes:

- Outside consulting and legal fees will be billed at direct rate (no discount or mark-up)
- Invoices for all charges will indicate hours, rate and provide a brief description of tasks completed

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: JUNE 22, 2007

AGENDA ITEM

E-5

JUNE 27, 2007

CONSIDER RETENTION OF ACTUARIAL CONSULTANT TO EVALUATE THE UNFUNDED LIABILITY ASSOCIATED WITH "OTHER POST EMPLOYMENT BENEFITS" (OPEB) [PROVIDE POLICY GUIDANCE]

ITEM

Consider retention of actuarial consultant to evaluate the unfunded liability associated with "Other Post Employment Benefits" (OPEB)

BACKGROUND

In 1990, NCSD adopted Resolution No. 426 to contract with CALPERS for health insurance coverage for its employees. The Resolution stipulates the District will contribute the total amount of insurance premiums for employees and retirees and their dependents.

On December 14, 2005, NCSD adopted Resolution 2005-959 to set a health benefits vesting requirement for future retirees. This action was taken to limit the District's financial liability for post retirement medical insurance. The amendment requires vesting for employees before retirement medical benefits are 100% employer paid. This vesting applies to all employees hired on or after February 1, 2006. The vesting requires the retiree to have worked 20 years under the CALPERS system including at least 5 with the District.

Retiree medical benefits are unlike the pension benefit because there is no funding plan. CALPERS pension is funded through monthly employer contributions and the investment gains of the plan. There is a recent concern for all government agencies on how they will fund future medical benefits to retirees. These are known as "Other Post Employment Benefits" (OPEB). The only OPEB NCSD provides is medical, however, OPEB can include medical, dental, vision and life insurance.

Currently, most (if not all) government agencies fund these OPEB through annual operating income without any thought to the future liability of these expenses. This is often referred to as the "pay-as-you-go" method. This has led the Governmental Accounting Standards Board (GASB) to adopt Statement No. 45 that will require State and local governments to recognize and display OPEB expenses and related liabilities on their financial reports (audits). The GASB No. 45 will be effective for periods beginning after December 15, 2008 for governments with less than \$10M in total annual revenues. This means that NCSD must comply in the Fiscal Year 2009-2010. Although, NCSD has several years to comply, it is prudent to start addressing this issue now and be in compliance prior to the effective date.

The District currently has two retired employees receiving medical benefits. The current annual cost for our retired employee's medical is \$18,480. We are funding this cost from annual operating income. Much of the GASB No. 45 concern focuses on the large cities that have millions of dollars of OPEB costs with no funding plan. Nevertheless, NCSD's cost will grow as more employees retire and medical costs continue to increase. This liability could become a real issue to the District if it is disclosed on our audit as an unfunded liability.

To address the concerns of local agencies with OPEB, CALPERS has begun a program to assist in funding. The California Employers' Retiree Benefit Trust (CERBT) Fund is a new Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post employment benefit costs for retirees and their beneficiaries. By joining this new trust fund, CALPERS employers can help finance future costs in large part from the investment earnings provided by CALPERS. Just as earnings from invested retirement contributions cover \$3 of every \$4 spent in pension benefits, this new trust will generate

Agenda Item E-5

June 27, 2007

Page 2

significant revenues to apply toward OPEB obligations. There are several advantages to prefunding these OPEB with CALPERS:

- Prefunding allows an agency to make actuarially determined periodic contributions to partially or completely fund future obligations
- Earnings on assets reduce employer contributions
- Investment return assumptions, known as discount rate assumptions, will be higher, making annual expense and unfunded liability lower
- Prevents your net obligation from becoming a significant liability on your balance sheet
- Can contribute to a positive credit rating
- Enhances financial security for retirees.

If NCSD is interested in participating in the CALPERS Prefunding Plan, NCSD must obtain an actuarial evaluation using the actuarial assumptions and methods prescribed by CALPERS. Once the valuation is completed, NCSD must adopt and execute an agreement with CALPERS. An actuarial evaluation is required bi-annually or as otherwise required by GASB and directed by CALPERS.

CALPERS indicated that NCSD should expect to pay between \$5,000 and \$10,000 to have the actuarial evaluation performed. Staff has not made formal contact with an actuarial to receive a formal estimate.

Attached are four pages of Frequently Asked Questions prepared by CALPERS. This should answer any questions that have not been addressed in the staff report.

RECOMMENDATION

Direct Staff to prepare and circulate an RFP for actuarial services and to submit the resultant proposals for review by the Board of Directors at a future board meeting.

ATTACHMENT

Frequently Asked Questions about Prefunding Other Post Employment Benefits through CALPERS

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Questions and Answers About Prefunding Other Postemployment Benefits Through CalPERS

What is the Governmental Accounting Standards Board (GASB)?

GASB is a non-profit organization that formulates accounting standards for state and local governments. GASB standards are not law but are accounting principles that improve the relevance of financial reporting.

What are Other Postemployment Benefits (OPEB)?

OPEB consists of postemployment healthcare benefits including medical, dental, vision, and other health related benefits whether provided separately or provided through a defined benefit pension plan. OPEB also includes postemployment benefits such as life insurance, disability and long term care benefits if provided separately from a defined benefit pension plan.

What is GASB 45 or Statement No. 45?

Statement No. 45 of the Governmental Accounting Standards Board (GASB 45), titled *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* establishes standards for the measurement, recognition, and display of OPEB expense/expenditures, and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

Who can enter into an agreement to prefund OPEB?

CalPERS administers the Annuitants' Health Care Coverage Fund (CalPERS Prefunding Plan). Public agencies and schools which participate in the Public Employees' Medical and Hospital Care Act (PEMHCA) may enter into an agreement with CalPERS to participate in the CalPERS Prefunding Plan.

What is required to prefund OPEB through CalPERS?

An Employer interested in participating in the CalPERS Prefunding Plan must obtain an actuarial valuation using the actuarial assumptions and methods prescribed by CalPERS. Once the valuation is completed, the Employer must adopt and execute an agreement and submit the agreement, along with the valuation, to CalPERS for approval.

Will CalPERS perform GASB 45 actuarial valuations for employers?

No. CalPERS has no current plans to perform actuarial valuations for employers who elect to participate in the CalPERS Prefunding Plan.

Questions and Answers About Prefunding Other Postemployment Benefits Through CalPERS

Who should the Employer contact to obtain an actuarial valuation?

An Employer will need to hire an actuarial consulting firm to perform the valuation work. CalPERS does not endorse or recommend any actuarial firms. An Employer may contact the American Academy of Actuaries (<http://www.actuary.org>), the American Society of Pension Actuaries (ASPA) (<http://www.aspa.org>), or the Society of Actuaries (<http://www.soa.org/ccm/content>) to obtain a list of actuarial firms.

Can CalPERS give ball park figures of employers' OPEB liabilities?

No. We recommend that you contact an actuarial consulting firm to obtain this information.

Must Employer submit its actuarial valuation to CalPERS?

Yes. CalPERS requires a copy of the valuation reports. The reports must be prepared and signed by a fellow or associate of the Society of Actuaries or a person with equivalent qualifications acceptable to the Board.

When Should Employer submit copies of the actuarial valuation?

The valuation must be provided to CalPERS (1) at or before the time that Employer submits an executed contract for approval by CalPERS and before CalPERS will accept contributions (2) for the subsequent valuation periods, before additional contributions are made to the CalPERS Prefunding Plan.

How often are the actuarial valuations required?

Actuarial valuations are required bi-annually or as otherwise required by GASB 45 and directed by CalPERS.

Must Employers have participated in PEMHCA for a minimum period before becoming eligible to participate in the CalPERS Prefunding Plan?

No. Employers participating in PEMCHA may elect to participate in the CalPERS Prefunding Plan at any time.

Questions and Answers About Prefunding Other Postemployment Benefits Through CalPERS

How can employers enter into an Agreement to prefund their OPEB through CalPERS?

The Agreement to Prefund Other Post Employment Benefits through CalPERS is available on line at www.CalPERS.ca.gov. The required information should be entered into the Agreement. The Agreement must then be adopted at a public meeting by the governing body of the public entity electing to participate in the Prefunding Plan and submitted to CalPERS for review and approval.

Who can sign the Agreement?

The presiding officer of the employer's governing body may sign the Agreement.

Is the Employer required to provide CalPERS with the original Agreement?

An original Agreement or a certified copy of the Agreement is acceptable. If the employer wishes to have an original signed copy of the Agreement for its records it should send two copies with original signatures to CalPERS. After approval CalPERS will sign both copies and return one to the employer for its records.

Where should the Agreement be filed?

The Agreement may be filed by mail or by personal delivery.

If filing by mail, send to: CalPERS Employer Services Division
P.O. Box 242709
Sacramento, CA 94229-2709

If filing by personal
Delivery, deliver to: CalPERS Mailroom
Attn: Employer Services Division
400 Q Street
Sacramento, CA 95814

Are Employers required to use the CalPERS Agreement document to elect to participate in the Prefunding Plan?

The Agreement developed by CalPERS must be used to elect to participate in the Prefunding Plan.

Questions and Answers About Prefunding Other Postemployment Benefits Through CalPERS

What will be the effective date of our participation in the Prefunding Plan?

The effective date of the Agreement and of the employer's participation in the Prefunding Plan will be the date CalPERS approves the Agreement.

What is the earliest date contributions may be made?

Contributions will be accepted as early as 7 days after the date the Agreement is approved by CalPERS.

Do Employers have to fund the full amount shown in the valuation?

No. Employers are not required to fund the full amount shown in the valuation.

What is the minimum contribution amount CalPERS will accept?

The minimum contribution will be the lesser of \$5000 or the annual required contribution as that term is defined in GASB Statement #45.

How often may Employers contribute?

Employers may contribute as frequently as they wish.

How often may disbursements be made from the trust?

Quarterly.

Who may request disbursements from the trust?

The employer must notify CalPERS in writing by completing a Delegation of Authority to Request Disbursements form of the persons authorized to request disbursements from the Prefunding Plan.

How should requests for disbursements be made and to whom should they be directed?

All requests for disbursement must be in writing and include a certification certify that the monies will be used for the purposes of the Prefunding Plan. The requests must be signed by an individual authorized by the employer to request disbursements from the Plan.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: JUNE 22, 2007

**AGENDA ITEM
E-6
JUNE 27, 2007**

AUTHORIZE EXECUTION OF WATERLINE RELOCATION DESIGN AGREEMENT

ITEM

Authorize execution of agreement with Cannon Associates to design waterline re-locations under County Drainage Culverts [RECOMMEND APPROVAL].

BACKGROUND

SLO County has already re-constructed one drainage culvert and the County has scheduled the re-construction of three more culverts this fall and two more culverts next spring. All five of these projects will require NCSD to re-locate at least one of our respective water lines. Your Board has adopted its FY07-08 Budget, which includes \$200,000 in funding to pay for NCSD's cost for re-locating these five mains. Attached is a proposal from Cannon Associates to perform the re-design activities on a time-and-materials basis with a not-to-exceed expenditure limit of \$24,750. Cannon's proposal includes coordination with the County but it omits construction management and should construction management be necessary staff would seek subsequent Board Authorization.

RECOMMENDATION

Staff believes that the design effort set forth in Cannon's proposal needs to be done now so that NCSD can bid our portion of the work prior to or at the same time the County bids its work for at least the three Fall 2007 projects. Staff recommends that your Honorable Board direct the President to execute a standard consultant services agreement with Cannon Associates to perform the services set forth in the attached proposal on a time-and-materials basis with a not-to-exceed expenditure limit of \$24,750.

ATTACHMENT

- * CANNON PROPOSAL

June 15, 2007

Mr. Bruce Buel
General Manager
Nipomo Community Services District
148 S. Wilson Street
Nipomo, CA 93444

PROJECT: NCS D WATERLINE RELOCATION FOR COUNTY DRAINAGE PROJECTS

Dear Bruce:

You requested our assistance in preparing construction plans for the relocation of NCS D waterlines which will be impacted by planned County drainage improvement projects. This proposal presents our planned scope of work, fee estimate, and anticipated schedule for completion of the construction drawings.

PROJECT UNDERSTANDING:

The County intends to complete five improvement projects to upgrade their drainage structures, as described below. The intended date for completion of each project is noted as well.

- **Project 1 (Spring 2008)**, Tefft Street Box Culvert Improvements: Existing box culvert to be removed and replaced with double 5' high by 12' wide box culverts; existing grade & flowline to be maintained.
- **Project 2 (Spring 2008)**, Thompson Avenue Arch Culvert Improvements: Existing box culvert to be removed and replaced with Contech arch culvert.
- **Project 3 (Fall 2007)**, Mallagh Street Arch Culvert Improvements: Existing CMP pipe culvert to be replaced with Contech arch culvert. New structure will require additional depth beneath that of existing structure. Flow line to be maintained, but the footing for the arch culvert will be buried deeper.
- **Project 4 (Fall 2007)**, Mallagh Street Box Culvert Improvements: Remove and replace existing dbl 36" rcp culvert with dbl 4' high by 3' wide box culvert. Also, abandon portion of existing 24" cmp and construct 24" HDPE culvert. New culvert will be buried 4" to 6" lower than current.
- **Project 5 (Fall 2007)**, Burton Street Box Culvert Improvements: Remove and replace existing 48" CMP culvert with double 4' high by 5' wide box culvert.

364 Pacific Street
San Luis Obispo, CA 93404
Tel: 805-544-7407
Fax: 805-544-3863

We have reviewed the potential impacts these projects will have on existing NCSD waterlines within the vicinity of these construction projects. The list below describes the waterline relocation proposed for each County project.

- **Project 1**, Existing 10" water main to be relocated
- **Project 2**, Existing 6" water main to be relocated, currently hanging within planned culvert structure
- **Project 3**, Existing water line in project area; will need to be relocated to accommodate new arch culvert
- **Project 4**, Existing 6" water line in project area will need to be relocated to accommodate new box culvert. No impacts anticipated for pipe culvert replacement.
- **Project 5**, Existing 6" water line in project area; will need to be relocated to accommodate new box culvert.

SCOPE OF WORK

This scope of work was developed based on review of the current set of drainage structure improvement plans provided by San Luis Obispo County staff on May 15, 2007, our knowledge of the NCSD water system, and discussions with you and County staff regarding implementation of these projects.

We have discussed construction scheduling with County staff. They intend to phase their construction to coordinate with NCSD's relocation efforts, allowing NCSD time to complete their work at each project site while the area is already blocked off and open. The scope of work below includes coordination efforts with the County, for both plan set development and construction scheduling.

We will utilize County construction plans as a basis for the NCSD plan set to ensure that County construction plans are accurately represented. We will convert the construction plans and topographic information provided by the County into a usable AutoCAD format. This proposal assumes that the NCSD utility information as shown on the County plans is correct; we will confirm this assumption with NCSD staff prior to start of design.

PROJECT KICKOFF MEETING

Cannon Associates will coordinate and attend a Project Kickoff Meeting with appropriate personnel from the NCSD. This meeting agenda will focus on project understanding, team involvement, project constraints, and the anticipation of design development impediments. Also included will be a project introduction, a review of background information and project scope, and the establishment of a project schedule.

PRELIMINARY ENGINEERING (30% DESIGN)

Cannon Associates will prepare a recommended conceptual layout in plan and profile views for each water line realignment for review and approval by the NCSD. Based on NCSD review, comments, and acceptance of the preliminary design, we will proceed into preparation of construction documents. We will attend one meeting with NCSD staff to review and discuss the preliminary design.

DESIGN DOCUMENTS (75%)

Based on the comments from preliminary design, we will prepare a Design Plans Package for submittal. The submittal package will contain Plan and Profile drawings showing the proposed modifications to the existing water lines at a design and detail level approximately equal to 75 percent of the anticipated final construction documents. The Design Plans Package is based on the estimation of preparing a total of seven drawing sheets (24" x 36"), including (1) Title Sheet, (5) Plan and Profile Sheets, and (1) Detail Sheet. If preferred, we will prepare two separate packages, one for the Fall 2007 projects and a separate package for the Spring 2008 projects.

Technical Specifications will be developed in CSI format for easy incorporation into the Bid Documents. A Preliminary Cost Estimate based on the 75 percent Design Plans will be included as well. We will attend one meeting with the City staff to review and discuss the design submittal.

FINAL CONSTRUCTION DOCUMENTS

Based on the finalized project design issues resolved during the preceding tasks, we will prepare and submit a Final Construction Documents package. This submittal package will contain complete Construction Plans on permanent drawing medium (Mylar film), Technical Specifications, and an Opinion of Probable Construction Costs. The plans will incorporate review comments of the 75 percent Design Plans package, and provide construction level designs and technical specifications sufficient for final project approvals. Electronic copies of all drawing files of the Final Construction Documents will be submitted to NCSD.

EXCLUSIONS

Certain services that typically accompany a project of this type are excluded from this Scope of work at this time. These services may be added to our Scope of Work on a Time and Materials basis and include the following:

- Construction engineering support, including attendance at pre-construction meetings, assistance with bidding, support for the clarification of construction plans and specifications, and the preparation of technical change orders, construction scheduling coordination with the County improvement projects, final site inspection and punch list or recommendations, and preparation of final as-built drawings.
- Field verification and/or determination of property boundaries, easements, and public right-of-way, right-of-way dedications, and easement acquisitions.
- Survey monumentation, records of survey, and legal descriptions and exhibits.
- Project meetings (other than those described in the Scope of Work), local agency liaison, and application and permit processing and tracking.
- NPDES compliance reporting, Storm Water Pollution Prevention Plans (SWPPP), and Erosion and Sediment Control Drawings.
- Archeological, botanical, biological, geotechnical, and landscaping project services.
- Permitting or approvals through San Luis Obispo County.

Additional work will be billed on a Time and Materials basis or as an addendum to this proposal with prior written authorization from the NCSD.



ENGINEERS
PLANNERS
SURVEYORS

FEES:

Fees are based on hourly rates and do not include City or County checking and recording fees, or title company fees. All project meetings other than the design review meetings stated above will be billed on a Time and Materials basis.

Project Kickoff Meeting and County Plan Conversion	\$4,350.00
Preliminary Design (30%)	\$4,500.00
Design Documents (75%)	\$10,650.00
Final Construction Documents	<u>\$5,250.00</u>

TOTAL FEES **\$24,750.00**

ACCEPTANCE AND TERMS:

Cannon Associates bills monthly for work in progress and payment is due within 10 calendar days of receipt of the bill. Overdue amounts will be surcharged at 18 percent per annum or 1.5 percent monthly. Materials are charged at cost plus 15 percent. Reimbursables are not included in above fee; see attached "Reimbursable Expense Schedule" for rates.

If this meets with your approval, please return the signed Acceptance of Proposal which will serve as our notice to proceed.

The fees quoted in this proposal are valid for 60 days from this date. If you have any questions, please give me a call.

Sincerely,

for

Larry P. Kraemer, PE
Senior Civil Engineer
C 44813



ENGINEERS
PLANNERS
SURVEYORS

ACCEPTANCE OF PROPOSAL

Project Name: NCS D Waterline Relocation for County Drainage Projects

Date: June 15, 2007 Client: Nipomo Community Services District

Job No. 070619

Description of Services:

Prepare plans and specifications for the relocation of NCS D waterlines as necessary to accommodate upcoming County Drainage Improvement projects.

Costs: \$24,750.00

Authorization:

In witness whereof, the parties hereto have caused this agreement consisting of the Request for Additional Services, the original signed services agreement, and any other necessary and applicable documents to be executed of the date and year first above written.

Client: NCS D

Cannon Associates

Bruce Buel
General Manager

Michael F. Cannon, PE
Director of Civil Engineering

Date: _____

Date: _____



ENGINEERS
PLANNERS
SURVEYORS

FEE SCHEDULE

January 2007

Reimbursable Expenses

In-House Reproduction	
Blueprints	\$ 2.00 per sheet
Sepia Mylars	\$10.00 per sheet
Plots	\$10.00 per sheet
Photocopies	\$ 0.20 per page
Color Copies (8 1/2 x 11)	\$ 1.50 per page
Color Copies (11 x 17)	\$ 3.00 per page
Other Reproduction	Cost + 15%
Fax	\$ 1.00 per page
Shipping (UPS, Fed Ex, etc.)	Cost + 15%
Travel by Automobile	\$ 0.56 per mile
Travel - Other Than Automobile	Cost + 15%
Per Diem (room and board per person)	Cost + 15%
Permit Fees	Cost + 15%
Subconsultant Fees	Cost + 10%

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: June 22, 2007



MANAGER'S REPORT

ITEM

Standing report to your Honorable Board --*Period covered by this report June 7, 2007 through June 20, 2007*

DISTRICT BUSINESS

Administrative

Staff participated in the Black Lake WWTF Upgrade Project Pre-Bid Meeting on Thursday 6/14/07. Representatives from 9 contractors attended.

Staff met with H. D. Parritt on 6/15/07 to discuss Mr. Parret's interest in participating in NCSD's Supplemental Water Project.

Staff met with representatives of the Canada project and County staff on 6/18/07 to discuss the County's progress in forming a CFD to pay for infrastructure development.

Staff has held several phone conference meetings with Rob Reed to discuss the respective rate studies that Mr. Reed is developing for presentation to the Board on July 25, 2007.

Union Asphalt, on June 20, 2007, hit NCSD's sewer manhole at Vintage and Thompson resulting in a spill of sewage. Staff has reported this spill to the RWQCB.

SLO LAFCO, on June 21, 2007, approved the annexation of the Craig Property into the District and also approved the Outside User Agreement.

Safety Program

No injury reports during the period.

Project Activity

Staff will provide a verbal projects update to the Board at the Board Meeting. Attached is a fiscal accounting of Supplemental Water Project revenues and costs through May 2007.

Conservation Program Activities

Staff has been working with the Conservation Committee on the Emergency Shortage Ordinance. The Ad Hoc Water Conservation Committee met on 6/11/07 and 6/19/07 and is scheduled to meet again on Tuesday 7/3/07 to discuss the ordinance and the draft water conservation program.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENTS –

- May SWP Fiscal Accounting

**NIPOMO COMMUNITY SERVICES DISTRICT
WATERLINE INTERTIE PROJECT
MONTHLY REPORT TO THE BOARD OF DIRECTORS
MAY 2007**

REVENUES FY 2006-2007 (1)	<u>MONTH OF</u> <u>MAY</u>	<u>FISCAL YEAR</u> <u>7/1/2006 TO</u> <u>6/30/2007</u>
Supplemental Water Capacity Fees Collected	193,410.00	274,033.50
Interest Income (monthly & quarterly posting)	7,211.90	99,354.67
Revenue Subtotal	200,621.90	373,388.17
EXPENDITURES FY 2006-2007 (2)		
<u>CONSULTANTS</u>		
1590-A1 Feasibility Study (Cannon)	0.00	0.00
1590-A2 EIR Preparation (Wood & Assoc)	0.00	16,053.83
1590-A3 Estimate/Preliminary Schedule (Cannon)	0.00	0.00
1590-A4 Proposed Routes/Facilities (Cannon)	0.00	0.00
1590-A5 Prop 50 Grant Applicatin (Cannon)	0.00	0.00
1590-A6 Project Support (Cannon)	0.00	0.00
<u>LEGAL</u>		
1590-B1 Shipsey & Seitz	256.00	17,332.25
1590-B2 McDonough, Holland & Allen	0.00	15,871.65
1590-B3 Richards, Watson & Gershon	0.00	27,954.81
<u>LAND ACQUISITION</u>		
1590-C1 Tarvin & Associates	0.00	16,170.00
<u>FINANCIAL</u>		
1590-D1 Reed Group	0.00	0.00
<u>ENGINEERING</u>		
1590-E1 Preliminary Engineering Design (Boyle)	0.00	221,838.79
1590-E2 Water Modeling by Carollo (City of Santa Maria)	0.00	24,942.00
1590-E3 Alternative Water Supplies (Boyle)	42,361.26	109,461.66
<u>OTHER</u>		
1590-F1 FGL Environmental	0.00	5,047.00
1590-F2 Copy/Print	0.00	740.24
<u>SALARY AND BENEFITS (3)</u>		
1590-Z1 Wages-Capitalized	2,115.38	32,711.44
1590-Z2 Payroll Taxes-Capitalized	30.66	541.43
1590-Z3 Retirement-Capitalized	609.02	9,431.00
1590-Z4 Medical-Capitalized	203.51	3,163.51
1590-Z5 Dental/Vision-Capitalized	25.32	222.58
1590-Z6 Workers Compensation-Capitalized	19.22	313.00
Expenditure Subtotal	45,620.37	501,795.19
Net Revenues less Expenditures	155,001.53	(128,407.02)
Beginning Fund Balance as of July 1, 2006		2,421,250.05
Ending Fund Balance as of May 31, 2007		2,292,843.03

(1) See attached "Supplemental Water Fees Collected" Schedule for more detail.

(2) See attached "Supplemental Water Cost Summary" for more detail.

(3) Salary and Benefits of Project Manager are allocated among NCSD projects and capitalized as part of the cost of the project.

T:\documents\projects\supplemental Water\SWP\Financial Reports\FY 6-30-07\monthly report to board.xls

**NIPOMO COMMUNITY SERVICES DISTRICT
SUPPLEMENTAL WATER COST SUMMARY**

<u>A/C #</u>	<u>DESCRIPTION</u>	<u>7/1/2004 TO 6/30/2005</u>	<u>7/1/2005 TO 6/30/2006</u>	<u>7/1/2006 TO 6/30/2007</u>	<u>GRAND TOTAL</u>
1645	Reservation Fee-City of Santa Maria	37,500.00	0.00	0.00	37,500.00
1590-A1	Feasibility Study (Cannon)	25,887.29	0.00	0.00	25,887.29
1590-A2	EIR Preparation (Wood & Assoc)	29,037.48	87,100.23	16,053.83	132,191.54
1590-A3	Est/Preliminary Schedule (Cannon)	3,706.19	2,602.75	0.00	6,308.94
1590-A4	Proposed Routes/Facilities (Cannon)	5,050.07	520.00	0.00	5,570.07
1590-A5	Prop 50 Grant Application (Cannon)	2,757.00	6,210.00	0.00	8,967.00
1590-A6	Project Support (Cannon)	0.00	11,797.44	0.00	11,797.44
1590-B1	Shipsey & Seitz	0.00	23,095.55	17,332.25	40,427.80
1590-B2	McDonough, Holland & Allen	0.00	34,177.28	15,871.65	50,048.93
1590-B3	Richard, Watson & Gershon	0.00	9,472.38	27,954.81	37,427.19
1590-C1	Tarvin Appraisal	0.00	0.00	16,170.00	16,170.00
1590-D1	Reed Group	0.00	2,809.85	0.00	2,809.85
1590-E1	Preliminary Engineering Design (Boyle)	0.00	6,470.33	221,838.79	228,309.12
1590-E2	Water Modeling by Carollo (City of SM)	0.00	0.00	24,942.00	24,942.00
1590-E3	Alternative Water Supplies (Boyle)	0.00	0.00	109,461.66	109,461.66
1590-F1	Lab Testing (FGL Environmental)	0.00	0.00	5,047.00	5,047.00
1590-F2	Copy/Print	0.00	0.00	740.24	740.24
1590-Z1	Wages-Capitalized	0.00	29,076.92	32,711.44	61,788.36
1590-Z2	Payroll Taxes-Capitalized	0.00	587.22	541.43	1,128.65
1590-Z3	Retirement-Capitalized	0.00	8,418.08	9,431.00	17,849.08
1590-Z4	Medical-Capitalized	0.00	2,861.36	3,163.51	6,024.87
1590-Z5	Dental/Vision-Capitalized	0.00	0.00	222.58	222.58
1590-Z6	Workers Compensation-Capitalized	0.00	260.35	313.00	573.35
		<u>103,938.03</u>	<u>225,459.74</u>	<u>501,795.19</u>	<u>831,192.96</u>

**NIPOMO COMMUNITY SERVICES DISTRICT
CERTIFICATES OF PARTICIPATION
DEBT SERVICE SCHEDULE**

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>PRINCIPAL BALANCE</u>
				4,000,000.00
FY June 30, 2004	0.00	136,384.79	136,384.79	4,000,000.00
FY June 30, 2005	75,000.00	169,950.00	244,950.00	3,925,000.00
FY June 30, 2006	80,000.00	167,625.00	247,625.00	3,845,000.00
FY June 30, 2007	80,000.00	165,225.00	245,225.00	3,765,000.00
FY June 30, 2008	85,000.00	163,132.50	248,132.50	3,680,000.00

T:\DOC\FINANCE\SUPP WATER\COST SUMMARY.XLS

NIPOMO COMMUNITY SERVICES DISTRICT
SUPPLEMENTAL WATER FEES COLLECTED

PROJECT	DEVELOPER	SUMMARY	DATE PAID	WATER SUPPLY PORTION	PIPELINE PORTION	SUPPLEMENTAL TOTAL	
2513	COOL	7 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING	6/23/05	59,406.00	7,320.00	66,726.00	
2513	COOL	1 FOUR INCH FIRE SYSTEM	6/23/05	37,125.23	4,588.52	41,713.75	
2514	NEWDOLL	7 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING PLUS 1 IRRIGATION	6/23/05	69,307.00	8,540.00	77,847.00	
2519	ALLSHOUSE	22 RESIDENTIAL MINUS 4 EXISTING PLUS 1 IRRIGATION	6/30/05	188,119.00	23,180.00	211,299.00	
2519	ALLSHOUSE	1 TWO INCH FIRE SYSTEM	6/30/05	11,870.37	1,467.13	13,337.50	
2513	COOL	REFUND 1 FOUR INCH FIRE SYSTEM	8/29/05	(37,125.23)	(4,588.52)	(41,713.75)	
2519	ALLSHOUSE	REFUND 1 TWO INCH FIRE SYSTEM	8/29/05	(11,870.37)	(1,467.13)	(13,337.50)	
FISCAL YEAR 2004-2005				SUBTOTAL	316,832.00	39,040.00	355,872.00

PROJECT	DEVELOPER	SUMMARY	DATE PAID	WATER SUPPLY PORTION	PIPELINE PORTION	SUPPLEMENTAL TOTAL	
090-095-011 to 090-095-014	DANMARK	4 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING	8/4/05	29,703.00	3,660.00	33,363.00	
2561	VISTA COLINA	8 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING PLUS 1 IRRIGATION	11/7/05	79,208.00	9,760.00	88,968.00	
090-381-006	DENNERLEIN	1 RESIDENTIAL SERVICE 182 EAST CHESTNUT	1/25/06	9,901.00	1,220.00	11,121.00	
091-327-075	PRUIT	2 ONE INCH METERS	2/1/06	19,802.00	2,440.00	22,242.00	
091-327-075	PRUIT	1 FOUR INCH FIRE SYSTEM	2/1/06	37,125.23	4,588.52	41,713.75	
091-322-046	HARDESTY	1 ONE INCH METER	3/20/06	9,901.00	1,220.00	11,121.00	
090-251-021	BLUME	1 ONE INCH METER	4/19/06	9,901.00	1,220.00	11,121.00	
2565	PUHEK	5 RESIDENTIAL PLUS 1 IRRIGATION	5/9/06	59,406.00	7,320.00	66,726.00	
CO 04-0606	MVIII	5 RESIDENTIAL	5/18/06	49,505.00	6,100.00	55,605.00	
2499	NESTER	18 RESIDENTIAL	6/9/06	178,218.00	21,960.00	200,178.00	
FISCAL YEAR 2005-2006				SUBTOTAL	482,670.23	59,488.52	542,158.75

PROJECT	DEVELOPER	SUMMARY	DATE PAID	WATER SUPPLY PORTION	PIPELINE PORTION	SUPPLEMENTAL TOTAL	
090-091-017	SCOGGINS	2 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING-325 N THOMPSON	7/18/06	10,288.00	1,268.00	11,556.00	
2595	BAUR	6 RESIDENTIAL MINUS CREDIT FOR 2 EXISTING	10/11/06	41,152.00	5,072.00	46,224.00	
091-327-075	PRUIT	FINAL FEES PAID-BALANCE DUE TO FEE INCREASE 7/1/06	10/11/06	2,226.00	275.00	2,501.00	
090-381-002	STEELE	1 RESIDENTIAL	10/18/2006	10,288.00	1,268.00	11,556.00	
2619	ALLSHOUSE	FINAL FEES PAID-BALANCE DUE TO FEE INCREASE 7/1/06	3/28/2007	7,820.00	966.50	8,786.50	
CO 04-0186	FEDERER	4 RESIDENTIAL MINUS CREDIT FOR 1 EXISTING	5/17/2007	30,864.00	3,804.00	34,668.00	
092-130-043	CIDER VILLAGE	1 THREE INCH METER, 1 1.5 INCH IRRIGATION, 1 THREE INCH FIRE MINUS CREDIT FOR 1 EXISTING	5/17/2007	136,244.00	16,843.00	153,087.00	
2513	COOL	FINAL FEES PAID-BALANCE DUE TO FEE INCREASE 7/1/06	5/23/2007	2,323.00	287.00	2,610.00	
2514	NEWDOLL	FINAL FEES PAID-BALANCE DUE TO FEE INCREASE 7/1/06	5/23/2007	2,710.00	335.00	3,045.00	
FISCAL YEAR 2006-2007				SUBTOTAL	243,915.00	30,118.50	274,033.50

GRAND
TOTAL 1,043,417.23 128,647.02 1,172,064.25

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TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: June 22, 2007

**AGENDA ITEM
G
JUNE 27, 2007**

COMMITTEE REPORTS

ITEM

Receive Minutes from the June 18, 2007, Supplemental Water Project Committee Meeting.

BACKGROUND

Attached is the set of draft minutes from the June 18, 2007, Supplemental Water Project Committee Meeting. The Members of the Committee or Staff can respond to questions and receive comments from the Board regarding the meetings or the draft minutes.

RECOMMENDATION

It is recommended that your Honorable Board edit the draft minutes as appropriate and, adopt the final sets of minutes.

ATTACHMENT

1. June 18, 2007 SWP Committee Meeting

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2007\COMMITTEE REPORTS 070627.DOC



NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address WWW.NCSD.CA.GOV

MINUTES OF THE 6/18/07 MEETING OF THE SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Trotter called the Special Meeting to order at 3pm in the NCSD Board Chambers. Both Chairman Trotter and Director Eby were in attendance along with staff members Bruce Buel and Celeste Whitlow; Boyle representatives Mike Nunley and Malcolm McEwen; and six members of the public. Chairman Trotter described the purpose and format of the meeting.

2. REVIEW BOYLE TECHNICAL MEMORANDUM #1 – CONSTRAINTS ANALYSIS

Bruce Buel provided an overview of the constraints analysis and introduced Mike Nunley and Malcolm McEwen of Boyle. Mike Nunley distributed a Summary of the Constraints Analysis and Malcolm McEwen used the Summary to describe the options evaluated and the conclusions reached. Mike Nunley then presented Boyle's recommendations for short term and long term solutions. In regards to short term solutions, Mike Nunley recommended that NCSD focus on the Waterline Intertie Project (WIP) and that Boyle be directed to perform a series of value engineering exercises to revise and finalize the November 2006 Preliminary Engineering Memorandum. In terms of long term solutions, Mike Nunley recommended that NCSD focus on desalination and that Boyle be directed to prepare a second Technical Memorandum detailing the process for development of a desalination project. Committee discussion followed on the Constraints Technical Memorandum and Boyle's recommendations. Ed Eby requested more information on access to state water at Tefft and Thompson; an analysis of changes to the WIP if groundwater management options were to reduce the amount of water to be transported; and a chart summarizing cost and scheduling information. Cliff Trotter requested information on the status of the South SLO County Sanitation District's evaluation of desalination and the availability of surplus capacity in the CCWA Pipeline. Ed Eby indicated that constructing a turn-out at Tefft and Thompson had a lower probability of large cost overruns than the Waterline Intertie Project. Bruce Buel suggested that the District consider a "hybrid" short term project in addition to the original Waterline Intertie Project. The hybrid would include purchase of water from the City of Santa Maria at Tefft and Thompson along with development of new groundwater sources to mimic the mix of CCWA Water and groundwater that would otherwise be purchased from the City under the WIP.

**MINUTES OF THE 6/18/07 MEETING OF THE
SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE
Page 2**

Chairman Trotter then called for public comment. John Snyder requested that NCS D look at the impacts of the different water sources on wastewater quality and at disposal of brine in deep wells. Mr. Snyder also stated his opinion that NCS D could claim the yield from return flow for projects importing non-basin water and thereby reduce the cost per acre foot estimates for these projects; that the water rights litigation could prohibit recharge in areas that would deprive the Santa Maria Sub-Basin of transfer flows; and that purchase of Santa Maria Water may extinguish NCS D's ability to appropriate Nipomo Mesa groundwater.

The Committee then reviewed the Draft Constraints Technical Memorandum on a page by page basis with a request to Boyle to revise the text to correct typos, clarify issues and to add more information. Boyle agreed to prepare the Chart requested by Ed Eby so that the chart could be reviewed by the Board at its June 27, 2007 Meeting.

Following an extensive discussion of recommendations, Ed Eby moved to recommend to the Board that NCS D focus on desalination as the long term solution; to focus on the WIP and the Hybrid Proposal including purchase of City of Santa Maria water at Tefft and Thompson as competing short term solutions; and to set a long term goal of being self reliant through development of desalination. Cliff Trotter seconded the motion, which passed unanimously.

3. SET NEXT COMMITTEE MEETING

The Committee agreed by consensus that Chairman Trotter would call the next meeting when it was needed. There was no public comment.

4. ADJOURNMENT

Chairman Cliff Trotter thanked the public for participating. Chairman Trotter adjourned the meeting at 5:20pm.

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