

TO: BOARD OF DIRECTORS  
 FROM: BRUCE BUEL  
 DATE: SEPTEMBER 7, 2007

**AGENDA ITEM  
 D-1  
 SEPTEMBER 12, 2007**

**HAND WRITTEN CHECKS**

08-22-07 19632 GROUNDWATER RES ASSOC 110.00  
 08-22-07 19633 MID STATE PETTY CASH 159.76

**TOTAL COMPUTER  
 CHECKS  
 \$ 317,472.64**

**VOIDED CHECKS**  
 19634, 13959-13963

**COMPUTER GENERATED CHECKS**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
13953	08/24/07	EMP01	EMPLOYMENT DEVELOP DEPT	746.55	.00	746.55	A70820	STATE INCOME TAX
13954	08/24/07	MID01	MIDSTATE BANK-PR TAX DEP	2969.79	.00	2969.79	A70820	FEDERAL INCOME TAX
				382.98	.00	382.98	1A70820	FICA
				757.44	.00	757.44	2A70820	MEDICARE (FICA)
			Check Total.....:	4110.21	.00	4110.21		
13955	08/24/07	MID02	MIDSTATE BANK - DIRECT DP	22337.82	.00	22337.82	A70820	NET PAY
13956	08/24/07	PER01	PERS RETIREMENT	6427.18	.00	6427.18	A70820	PERS PAYROLL REMITTANCE
13957	08/24/07	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A70820	WAGE ASSIGNMENT
13958	08/24/07	STA01	STATE STREET GLOBAL	1105.00	.00	1105.00	A70820	457 DEFERRED COMP
013964	08/29/07	EBY01	EBY, ED	100.00	.00	100.00	082907	SPECIAL BD MEETING 8/29/0
013965	08/29/07	HAR02	HARRISON, JAMES	100.00	.00	100.00	082907	SPECIAL BD MEETING 8/29/0
013966	08/29/07	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	082907	SPECIAL BD MEETING 8/29/0
013967	08/29/07	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	082907	SPECIAL BD MEETING 8/29/0
013968	08/29/07	WIN01	WINN, MICHAEL	100.00	.00	100.00	082907	SPECIAL BD MEETING 8/29/0
13969	09/07/07	EMP01	EMPLOYMENT DEVELOP DEPT	723.52	.00	723.52	A70904	STATE INCOME TAX
13970	09/07/07	MID01	MIDSTATE BANK-PR TAX DEP	2903.05	.00	2903.05	A70904	FEDERAL INCOME TAX
				358.16	.00	358.16	1A70904	FICA
				731.38	.00	731.38	2A70904	MEDICARE (FICA)
			Check Total.....:	3992.59	.00	3992.59		
13971	09/07/07	MID02	MIDSTATE BANK - DIRECT DP	21555.30	.00	21555.30	A70904	NET PAY
13972	09/07/07	PER01	PERS RETIREMENT	6427.18	.00	6427.18	A70904	PERS PAYROLL REMITTANCE
13973	09/07/07	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A70904	WAGE ASSIGNMENT
13974	09/07/07	STA01	STATE STREET GLOBAL	1105.00	.00	1105.00	A70904	457 DEFERRED COMP
013975	09/12/07	ABA01	ABALONE COAST BACTERIOLOG	176.00	.00	176.00	1802	TOWN WWTF LAB
				20.00	.00	20.00	1826	BL WWTF LAB
				80.00	.00	80.00	1830	WATER SAMPLES
				20.00	.00	20.00	1831	BL WWTF LAB
				52.00	.00	52.00	1848	TOWN WWTF LAB
				20.00	.00	20.00	1849	BL WWTF LAB
				20.00	.00	20.00	1854	BL WWTF LAB
				20.00	.00	20.00	1869	BL WWTF LAB
				36.00	.00	36.00	1881	BL WWTF LAB
				176.00	.00	176.00	1891	TOWN WWTF LAB
				20.00	.00	20.00	1892	BL WWTF LAB
				20.00	.00	20.00	1896	BL WWTP LAB TEST
				80.00	.00	80.00	1897	TOWN WATER TESTS
				80.00	.00	80.00	1923	TOWN/BL WATER TEST
				20.00	.00	20.00	1924	BL LAB TEST
				20.00	.00	20.00	1928	BL LAB TEST
				124.00	.00	124.00	1929	TOWN WWTP LAB
			Check Total.....:	984.00	.00	984.00		
013976	09/12/07	ADV01	ADVANTAGE ANSWERING PLUS	109.27	.00	109.27	87806	ANSWERING SERVICE
013977	09/12/07	ALX01	ALEXANDER'S CONTRACT SERV	2954.65	.00	2954.65	80012	METER READS
013978	09/12/07	AME02	AMERICAN INDUSTRIAL SUPPL	47.60	.00	47.60	175396	SUPPLIES
013979	09/12/07	AME03	AMERI PRIDE	74.24	.00	74.24	F260788	UNIFORMS ETC
				79.01	.00	79.01	F266482	UNIFORMS ETC
				74.24	.00	74.24	F272243	UNIFORMS ETC
			Check Total.....:	227.49	.00	227.49		

**NIPOMO COMMUNITY SERVICES DISTRICT  
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
013980	09/12/07	ATT01	AT&T/MCI	39.08 145.33 124.15	.00 .00 .00	39.08 145.33 124.15	T6923598 T6923600 T6923601	TELEPHONE TELEPHONE TELEPHONE
Check Total.....:				308.56	.00	308.56		
013981	09/12/07	BIO02	BioHumaNetics INC.	1500.00	.00	1500.00	16354	SLUDGE JUDGE
013982	09/12/07	BRE02	BRENTAG PACIFIC INC.	533.64 746.95 503.17 493.30 493.30	.00 .00 .00 .00 .00	533.64 746.95 503.17 493.30 493.30	702960 702961 707435 707436 BPI707436	CHLORINE CHLORINE CHLORINE CHLORINE CHLORINE
Check Total.....:				2770.36	.00	2770.36		
013983	09/12/07	BRI01	BRISCO'S	67.65	.00	67.65	134351	WATER LINE REPAIR
013984	09/12/07	CAN02	CANNON ASSOCIATES	262.50 16097.73 420.00 292.50 6171.05 540.00 9422.81 3380.00	.00 .00 .00 .00 .00 .00 .00 .00	262.50 16097.73 420.00 292.50 6171.05 540.00 9422.81 3380.00	41832 41856 41890 41892 41893 41894 41913 41922	NCSD 40/30 CERTIFICATION WATERLINE RELOCATIONS FOR WETWELL MAINT BEVINGTON MAINT STANDPIPE SCADA MAINT ALARM STATUS REPAIR WATER & SEWER MASTER PLAN INSTALL 2 BATTERIES EACH
Check Total.....:				36586.59	.00	36586.59		
013985	09/12/07	CLE06	CLEVER DUCKS	231.50	.00	231.50	NCSD077A	COMPUTER SUPPORT
013986	09/12/07	COR01	CORBIN WILLITS SYSTEMS	130.00 724.18	.00 .00	130.00 724.18	A70831 A708151	TECH SUPPLORT COMPUTER SUPPORT
Check Total.....:				854.18	.00	854.18		
013987	09/12/07	COU01	COURIER SYSTEMS	206.28	.00	206.28	083107	COURIER TO LAB
013988	09/12/07	CUL02	CULLIGAN WATER CONDITION	50.89	.00	50.89	8/31/07	DELIVERY
013989	09/12/07	DIG02	DIGITAL WEST VIDEO	162.50	.00	162.50	1064	SEWER TAPES
013990	09/12/07	EBY01	EBY, ED	100.00	.00	100.00	091207	REG BD MEETING 091207
013991	09/12/07	FAR01	FARM SUPPLY COMPANY	54.66	.00	54.66	443027	SUPPLIES
013992	09/12/07	FAR02	FAR WEST EXPRESS	11.00	.00	11.00	238211	DELIVERY BILL TO MAILING
013993	09/12/07	FED01	FED EX	25.76	.00	25.76	50214	POSTAGE TO STORMWATER UNI
013994	09/12/07	FGL01	FGL ENVIRONMENTAL	97.00 97.00 97.00 1336.00 97.00 56.00 187.00 1528.00 36.00 187.00 56.00 203.00 228.00 56.00 212.00 81.00	.00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00	97.00 97.00 97.00 1336.00 97.00 56.00 187.00 1528.00 36.00 187.00 56.00 203.00 228.00 56.00 212.00 81.00	707452A 707735A 708060A 708617A 708618A 708619A 708620A 708858A 708859A 708861A 708862A 708932A 708935A 709141A 709142A 709396A	TOWN WWTF LAB TOWN WWTF LAB TOWN WWTF LAB WELL MONITORING TOWN WWTF LAB BL WWTF LAB TOWN WWTF LAB WELL MONITORING TOWN WWTF LAB TOWN WWTP LAB BL WWTF LAB TOWN WATER LAB BL WATER LAB BL WWTP LAB TOWN WWTP LAB BL WWTP LAB
Check Total.....:				4554.00	.00	4554.00		
013995	09/12/07	FIS01	FISHER PUMP SERVICE	14425.10	.00	14425.10	462	SUNDALE WELL
013996	09/12/07	GAS02	GAS COMPANY, THE	16.91 14.30 341.19	.00 .00 .00	16.91 14.30 341.19	082007 082307 A70906	OFFICE HEAT 06235160949 GAS ENGINE SUNDALE GAS
Check Total.....:				372.40	.00	372.40		
013997	09/12/07	GIL01	GLM, INC.	100.00 300.00	.00 .00	100.00 300.00	083107A 083107B	BL LANDSCAPE OFFICE LANDSCAPE
Check Total.....:				400.00	.00	400.00		
013998	09/12/07	GRO01	GROENIGER & CO	216.60 722.21 550.43 56.27 516.03 38.40 385.62 249.08 353.62	.00 .00 .00 .00 .00 .00 .00 .00 .00	216.60 722.21 550.43 56.27 516.03 38.40 385.62 249.08 353.62	723072SM 723631SM 723678SM 724524SM 725719SM 725753SM 725756SM 725757SM 727244SM	SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES SUPPLIES
Check Total.....:				3088.26	.00	3088.26		
013999	09/12/07	GWA01	GWA INC	28.00	.00	28.00	07080064	FIRE ALARM

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014000	09/12/07	HAR02	HARRISON, JAMES	100.00	.00	100.00	091207	REG BD MEETING 091207
014001	09/12/07	IMP02	IMPAC GOVERNMENT SERVICES	1490.00 31.89 73.17 347.00	.00 .00 .00 .00	1490.00 31.89 73.17 347.00	082207A 082207B 082207C 082207D	EDUCATION TRAVEL SUPPLIES FOR MEETINGS SUBSCRIPTION
			Check Total.....:	1942.06	.00	1942.06		
014002	09/12/07	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	388973	TRACT 2409 LANDSCAPE MAIN
014003	09/12/07	NEX01	NEXTEL COMMUNICATIONS	311.83	.00	311.83	8090873	CELL PHONES
014004	09/12/07	NIP01	NIPOMO ACE HARDWARE INC	213.48	.00	213.48	651650+	SUPPLIES
014005	09/12/07	NOB01	NOBEL SYSTEMS	858.00	.00	858.00	9714	ARC GIS LICENSE
014006	09/12/07	PGE01	P G & E	56841.37	.00	56841.37	082107	ELECTRICITY 4449664603-3
014007	09/12/07	POO01	POOR RICHARD'S PRESS	291.89	.00	291.89	65871	WATER CONSERVATION MAILER
014008	09/12/07	PRE01	PRECISION JANITORIAL	275.00	.00	275.00	165	AUGUST JANITORIAL SERVICE
014009	09/12/07	QUI03	QUINN RENTAL SERVICES	78.55 226.32 435.36	.00 .00 .00	78.55 226.32 435.36	1177102 1177224 1177635	SUPPLIES SUPPLIES SUPPLIES
			Check Total.....:	740.23	.00	740.23		
014010	09/12/07	RAM01	RAMINHA CONSTRUCTION INC	54756.00	.00	54756.00	4420	BL POND LINER-PROGRESS PA
014011	09/12/07	REE02	THE REED GROUP INC	8912.69	.00	8912.69	968	RATE STUDY
014012	09/12/07	REL01	RELIABLE	394.25 28.95	.00 .00	394.25 28.95	ZJK67700 ZJK67701	OFFICE SUPPLIES SUPPLIES
			Check Total.....:	423.20	.00	423.20		
014013	09/12/07	RIC01	RICHARDS, WATSON, GERSHON	10754.50	.00	10754.50	154094	WATER RIGHTS ADJUDICATION
014014	09/12/07	SAI01	SAIC	20595.43	.00	20595.43	910010	HYDROLOGIC MONITORING PRO
014015	09/12/07	SAN01	SANTA MARIA TIRE INC	57.55	.00	57.55	444129	VEHICLE MAINT
014016	09/12/07	SAN04	SANTA MARIA TIMES	214.24 318.24	.00 .00	214.24 318.24	334596 343995	PUBLIC NOTICE PUBLIC NOTICE-SHOP BID
			Check Total.....:	532.48	.00	532.48		
014017	09/12/07	SHI01	SHIPSEY & SEITZ, INC	11909.50	.00	11909.50	081507	LEGAL FEES
014018	09/12/07	SOU01	SOUTH COUNTY SANITARY	31.24 165.80	.00 .00	31.24 165.80	1919536 1927425	OFFICE TRASH COLLECTION OLDE TOWNE TRASH COLLECTI
			Check Total.....:	197.04	.00	197.04		
014019	09/12/07	SPE01	SPECIAL DISTRICT RISK	31.11	.00	31.11	23069	INSURANCE
014020	09/12/07	STA05	STATE WATER RESOURCES CB	95.00	.00	95.00	BREWER	CERTIFICATION GRADE I
014021	09/12/07	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	091207	REG BD MEETING 091207
014022	09/12/07	VAL01	VALLEY SEPTIC SERVICE	925.00	.00	925.00	4483	PUMPED LIFT STATIONS
014022	09/12/07	VAL01	VALLEY SEPTIC SERVICE	1909.20 1984.90 1436.10	.00 .00 .00	1909.20 1984.90 1436.10	4484 4485 4489	JETTING SEWER LINES JETTING SEWER LINES JETTING SEWER LINES
			Check Total.....:	6255.20	.00	6255.20		
014023	09/12/07	VER01	VERIZON	33.57 34.44	.00 .00	33.57 34.44	081907A 081907B	BL PHONE BL PHONE
			Check Total.....:	68.01	.00	68.01		
014024	09/12/07	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	091207	REG BD MEETING 091207
014025	09/12/07	WHI02	CELESTE WHITLOW	115.83	.00	115.83	081607	REIMBURSEMENT FOR SUPPLIE
014026	09/12/07	WIN01	WINN, MICHAEL	100.00	.00	100.00	091207	REG BD MEETING 091207
014027	09/12/07	XER01	XEROX CORPORATION	90.20	.00	90.20	27395447	COPIER MAINT
014028	09/12/07	\A009	ALLSHOUSE, MICHAEL	445.40	.00	445.40	000A70701	MQ CUSTOMER REFUND FOR AL
014029	09/12/07	\J002	JAMES, LEONARD	245.41	.00	245.41	000A70701	MQ CUSTOMER REFUND FOR JA
014030	09/12/07	\U002	UNION ASPHALT INC,	449.18	.00	449.18	000A70701	MQ CUSTOMER REFUND FOR UN

# NIPOMO COMMUNITY SERVICES DISTRICT

Wednesday, August 15, 2007

9:30 A. M.

## SPECIAL MEETING MINUTES

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

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

### **MEETING LOCATION**

**District Board Room  
148 S. Wilson Street  
Nipomo, California**

**00:01:32** A. CALL TO ORDER, ROLL CALL, AND FLAG SALUTE

President Winn called the meeting to order at 9:30 a.m. and led the flag salute. At Roll Call, all directors were present. President Winn announced that public comment will be taken only on the item being considered.

**00:02:46** B. RECEIVE UPDATE FROM FUGRO WEST ON DEVELOPMENT OF PROPOSAL FOR ADDITIONAL GEO-HYDROLOGY EVALUATION OF SOUTHLAND WWTF DISPOSAL

Dr. Shawn Roberts, the project hydrogeologist for Fugro West, Inc., summarized the findings of Phase I of the "Hydrologic Characterization – Southland WWTF" report. He also stated that he met with Bruce Buel and Boyle Engineering for discussion on the proposed project. They investigated different methods of alleviating the problems at the Southland Wastewater Treatment Facility. He noted that Phase II of the project could cost \$80,000 to \$100,000.

Mike Nunley, Boyle Engineering, discussed expansion of the wastewater treatment facility. He has been working with the staff of Fugro West. He has presented different concepts to the Regional Water Quality Control Board for feed back. The Board asked questions about purchasing land, possible percolation into the creek, riparian vegetation, etc.

The following member of the public spoke  
Ian Wallace, NCSO resident at Blacklake - Asked if the park at Pomeroy and Tefft street could be used as a retention basin to help recharge the basin.  
*Answer* – Fugro has been asked to study the areas near the Kaminaka property which is on the edge of the aquitard.

The Board took a break at 10:13 for Mr. Reed to set up. The Board returned at 10:22 a.m.

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**Wednesday, August 15, 2007**  
**SPECIAL MEETING MINUTES**

**00:43:43** C. DISCUSS BASIS FOR CALCULATION OF SEWER USER FEES

Bruce Buel, General Manager, reviewed the basis for calculating sewer user fees. Presently, the residential sewer-user fees are flat fees and do not vary with the water use. There are some agencies in the State that use commodity-based sewer charges. Staff asked for Board comments.

Celeste Whitlow, NCS D Conservation Specialist – added that the commodity-based rate would use the lowest water use in the winter and use that as a cap. It would be strictly based on non-irrigation usage.

The following members of the public spoke:

Ron Willis, NCS D resident – stated that in the Blacklake area, there is winter irrigation so using the winter use to calculate sewer rates would not be equitable. Any decision would be premature because the bill (AB 1420) has not been passed.

Rick Dean, Nipomo resident – stated that he waters his property year-round. The proposed sewer rate based on water use seems to punish water users. Even in the summer, the irrigation does not add to the sewer.

Board discussion ensued. The Board asked if the present software is capable of handling this kind of billing. The Board would like more information about AB 1420-Best Management Practices and how the bill would affect rates.

Mr. Reed explained that the water-usage-based sewer bill for the single-family customer is not perfect but comes closest to charging accordingly those who put more water into the sewer treatment facility.

The Board agreed that the matter needed further investigation and directed staff to develop a recommendation prior to the next rate setting.

*The Board took a break at 10:52 and returned at 10:56 a.m.*

**01:14:04** D. REVIEW RATE STRUCTURE PRESENTATION, PROPOSE A COMBINED WATER USER FEE RATE STRUCTURE, AND DIRECT THE REED GROUP TO INCORPORATE THE PROPOSED RATE STRUCTURE INTO THE RATE REPORT

Bruce Buel, General Manager, introduced Bob Reed's presentation.

Bob Reed presented the proposed rate structure. The combined rate refers to the Town Division and the Blacklake Division being combined to one rate, if the merger goes through.

The Board asked questions during the presentation. Mr. Reed and Mr. Buel explained the process of the combined rate structure and how it benefits the Blacklake Division and the Town Division.

**MINUTES SUBJECT TO BOARD APPROVAL**

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**Wednesday, August 15, 2007**  
**SPECIAL MEETING MINUTES**

- D. REVIEW RATE STRUCTURE PRESENTATION, PROPOSE A COMBINED WATER USER FEE RATE STRUCTURE, AND DIRECT THE REED GROUP TO INCORPORATE THE PROPOSED RATE STRUCTURE INTO THE RATE REPORT (continued)

The following members of the public spoke:

Eljay Hansen, Arroyo Grande resident – stated that her property is not in the SOI but she is supporting her friends. She stated that this is not the way to achieve saving water. Stop high density; don't punish the long-time residents.

Cherie Dodds, NCSD resident – read a statement from Maryanne Buckmeyer stating that the high density plans need to be stopped.

Ms. Dodd stated that she has an acre-lot that is partially landscaped with fruit trees, shrubs, and lawn and she has horses. She stated that she does things to conserve water and enrich her soil. Don't punish existing residents by increasing density.

Rick Dean, Nipomo resident stated that the multi-tiered rate structure is unfair to those who want the rural atmosphere.

Dan Woodson, Nipomo resident, stated that the proposed rates are punitive and is concerned that the rates will cause Nipomo to look like some other dry communities.

Dan Gaddis, NCSD resident – stated that unchecked high-density development going on will cause the water use to jump.

Kristina Jaime, NCSD resident – stated that she opposes the proposed rate increases. Residents who have one-acre landscaped property should not have to pay higher rates to support growth. NCSD should not penalize users who have lived here and enjoyed their existing way of life.

*The Board took a lunch break at 12:22 p.m. and resumed at 1:03 p.m.*

Mr. Reed continued to page 10 of the presentation "Single Family Use." The rate increases are balanced between the different classes. The rates are mostly intended to pay for cost increases.

Board discussion ensued.

The following members of the public spoke:

Bruce Buel, General Manager, read the statement written by George Billinger, NCSD resident (he was unable to stay for this portion of the meeting.) Mr. Billinger's letter included: Blacklake plans for tying into the Town Division's water system seemed to be the most economical idea versus rehabbing the old, worn-out system. He stated that the cost to merge the two systems seems excessive. He does not agree with the rate increase as proposed.

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**Wednesday, August 15, 2007**  
**SPECIAL MEETING MINUTES**

- D. REVIEW RATE STRUCTURE PRESENTATION, PROPOSE A COMBINED WATER USER FEE RATE STRUCTURE, AND DIRECT THE REED GROUP TO INCORPORATE THE PROPOSED RATE STRUCTURE INTO THE RATE REPORT (continued)

Bill Nelson, NCSD resident – stated that the Board needs to look at the existing enterprise funds' billing structure. He does not agree with the way the funds are being discussed to move around.

There was more Board discussion.

Reasons why some Board members do not like the proposed rate structure:

Punitive, unfairly distributes water use among the NCSD customers, unsupported premise that water is being wasted, will not achieve the undefined conservation objectives, inequitable by design, will create hostility and mistrust, redistributes saved water to new developments not banked for a drought reserve, tiered rate structure does not assure that the high water users will change their water use, the rate structure does not encourage those in the lower tiers to conserve water.

Director Trotter stated that every criticism for conservation needs to be accompanied by a remedy.

President Winn gave another opportunity for public comment.

The following member of the public spoke:

Lavonna Hansen, NCSD resident – stated some ideas for water conservation including, using Jacuzzi water for washing some clothes, putting pan under faucet to catch water that is warming and using it for plants. She encouraged the Board to keep the current rate structure.

President Winn would like to try the three-tier system for one year. He agrees to push the County on Level of Security III.

Celeste Whitlow, NCSD Conservation Specialist – stated that the City of San Luis Obispo learned to use the tiered rate so that it wouldn't reduce revenue. The aquifer problem is getting worse. The higher water users put a burden on all the users. The rural atmosphere is not necessarily palm trees and lawn. Water saved is meant to save the aquifer. Wasting water is different for each person.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board agreed to restructure the rate structure to two tiers as on page 7 of the presentation; vary the break point on the tier one- tier two residential where it makes sense; adjust the bi-monthly service charges where it makes sense; add a two-tier structure for the non-residential and if separate bi-monthly service charge makes sense, with Directors Harrison and Winn voting no.

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

Bruce Buel, General Manager, asked the Board to address whether the 2.5 million should be borrowed from the equipment replacement fund to fund the supplemental water project.

**MINUTES SUBJECT TO BOARD APPROVAL**

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- D. REVIEW RATE STRUCTURE PRESENTATION, PROPOSE A COMBINED WATER USER FEE RATE STRUCTURE, AND DIRECT THE REED GROUP TO INCORPORATE THE PROPOSED RATE STRUCTURE INTO THE RATE REPORT (continued)

Lisa Bognuda, Assistant General Manager, stated that the funded replacement is needed for the Town Water Fund for replacement of existing infrastructure.

The following member of the public spoke:

Bill Nelson, NCSD resident – stated that in 2005, Mr. Reed used only the depreciation and did not include the equipment that would need to be replaced. He stated that Blacklake is having financial problems today because there was not enough money in the replacement fund to repair the sewer therefore he is recommending that the money remain in the fund for future replacement.

Upon motion by Director Harrison and seconded by Director Vierheilig, the Board unanimously agreed to leave the \$2.5 million in the equipment replacement fund. Vote 5-0.

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

- E. ADJOURN

President Winn adjourned the meeting at 3:22 p.m.



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# NIPOMO COMMUNITY SERVICES DISTRICT

*Celebrating 42 - Years of Service 1965 - 2007*

## MINUTES

**AUGUST 22, 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. GENERAL MANAGER**  
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 community with reliable, quality and cost-effective services.

Vision Statement: The Nipomo Community Services District's vision is to manage the resources and future growth 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.

#### B. ROLL CALL

At Roll Call, all Board members were present.

#### C. PRESENTATIONS AND PUBLIC COMMENT

##### C-1) INTRODUCTION OF NEW DISTRICT ENGINEER PETER SEVCIK

Bruce Buel, General Manager, introduced Peter Sevcik, the new District Engineer. Mr. Peter Sevcik stated that he is looking forward to working with the District to help the District carry out its mission. The Board thanked him for joining the District staff.

##### C-2) PRE-VIEW OF NIPOMO CLEAN UP EVENT SEPTEMBER 24 to 28

Celeste Whitlow presented information about the September 24 through 28, 2007 Nipomo Clean-Up Event. A copy of the slide presentation is available for viewing in the District office. The Board thanked Mrs. Whitlow for her presentation.

##### C-3) UTILITY SUPERVISOR DAN MIGLIAZZO

Dan Migliazzo gave an update on the Utility Department operations. A rebate from PG&E is being processed for some work performed on a pump that made it more efficient. Water and sewer atlas has been updated. Standard and Specifications book is being reviewed to be updated. Field crew has been replacing service lines and a main line. Dry barrel hydrants are being replaced with wet well hydrants. Sporadic power outages occurring – telemetry system notifies the crew. Sludge survey revealed a minimum accumulation of sludge in the Southland WWTF. Sludge is being removed from Basin 2. The new maintenance building project is being coordinated by Faith Watkins and Garth Korneich.

**MINUTES SUBJECT TO BOARD APPROVAL**

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C-3) UTILITY SUPERVISOR DAN MIGLIAZZO (continued)

The crew is cleaning around the hydrants and color coding for flow.  
The electrical panels are being standardized.  
The field crew will be attending locating classes with Underground Service Alert.  
The ramp in Basin 2 at the WWTF will be poured Thursday, August 23, 2007.

The Board asked questions.

Mr. Migliazzo stated that the Sundale Well is down again and being repaired.  
Blacklake Pond #3 – Raminha will be grading this week.  
Raminha will transport the sludge to Southland to be dried out.  
The telemetry systems' computer has a UPS for backup in case of a power outage.  
The server his independent with safeguards.  
The rebate for the Blacklake #4 upgrade will be credited to Blacklake.  
He stated that tours of the facilities could be arranged.

C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST  
Receive Announcements from Directors Items of District & Community Interest

Director Eby

SCAC meeting Monday, August 27, 2007 at 6:30 p.m. The SLO County document "Framework for Planning" and "Affordable Housing" will be some of the items discussed. Roosevelt Apts. developer is changing the design, increasing the number of bedrooms from 120 to 184. Perhaps NCS D could look at designation of dwelling units and possibly considering number of bedrooms.

Director Vierheilig

Next month, the Oceano Advisory Council will be discussing the "Framework for Planning." Jim Lopes from County Planning will be attending the meeting. At the OAC, mobile home park conversions will also be discussed.  
September 1, 2007 – Native Garden Work Day (9 a.m. to 12)

Director Winn

Chamber luncheon, Wednesday, August 29, 2007, Blacklake 12:00 noon  
Planning Commission – August 30, 2007 – Continued discussion on affordable housing and "Framework for Planning."  
Water Resource Advisory Committee meeting – September 5, 2007 at the SLO Library

C-5) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of August 8, 2007 Meeting

D-3) ACCEPT RICHEY SEWER IMPROVEMENTS AT 290 EAST CHESTNUT .

RESOLUTION NO. 2007-1038  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING THE SEWER IMPROVEMENTS  
FOR APN 090-371-013 AT 290 E. CHESTNUT (RICHEY)

**MINUTES SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
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D. CONSENT AGENDA (continued)

- D-4) APPROVE EQUITY ADJUSTMENT TO FIELD FOREMAN SALARY SCALE
- D-5) AMEND AGREEMENT WITH ASSISTANT TO GENERAL MANAGER TO EXTEND FY07-08 PERMISSIBLE HOURS
- D-6) AUTHORIZE SUBMITTAL OF CSDA BALLOT FOR SANDY YOUNG FOR SEAT B ON CSDA'S BOARD OF DIRECTORS FOR 2008 TO 2010
- D-7) NOT USED
- D-8) AUTHORIZE RETENTION OF DISTRICT ENGINEER AT STEP 2 OF SALARY RANGE
- D-9) AUTHORIZE SUBMITTAL OF SDRMA BALLOT FOR JOHN WOOLLEY, BILL MILLER AND JEAN BRACY ON SDRMA'S BOARD OF DIRECTORS FOR 2008-2012

**RESOLUTION NO. 2007-1037  
A RESOLUTION OF THE GOVERNING BODY OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT  
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

- D-10) AUTHORIZE SLO COUNTY TO CONSTRUCT NCSD WATER LINE CHANGES RELATED TO RE-CONSTRUCTION OF MALLAGH STREET DRAINAGE STRUCTURES

Bruce Buel, General Manager, offered Items D-1 through D-9 for Board consideration and asked that the Board pull Item D-10 for separate consideration. President Winn asked that staff to comment on Item D-9.

Upon motion by Director Trotter and seconded by Director Vierheilg, the Board unanimously approved Item D1 through D9. There was no public comment. Vote 5-0.

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

The Board took a short break at 9:41 a.m. and returned at 9:52 a.m.

Mr. Buel explained Item D-10. He handed the Board information from Souza Construction (awarded the bid by the County). The bid for work on the culverts will be on an informal basis. This will be a categorically exempt project with CEQA. There will be three separate projects to relocate existing water mains.

Upon motion by Director Vierheilg and seconded by Director Eby, the Board agreed to authorize the General Manager to prepare work orders with Souza Construction for the three separate projects; instruct the General Manager to file a Notice of Exemption for each of the three projects. There was no public comment. Vote 5-0.

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

**MINUTES SUBJECT TO BOARD APPROVAL**

Nipomo Community Services District  
REGULAR MEETING  
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00:49:19

E. ADMINISTRATIVE ITEMS

E-1) CONSIDER NESTER INTENT-TO-SERVE APPLICATION FOR CHESTNUT VILLAS MIXED USE PROJECT AND TRANSFER ALLOCATION FROM SINGLE FAMILY FUND TO MULTI-FAMILY FUND

Bruce Buel, General Manager, explained the request from Greg Nester for a mixed-use project at 166 & 186 N. Thompson Avenue. He stated there was an error in the Board letter in paragraph 3 under Background. The total water demand, estimated to be 10.2 AFY, was spelled out "thirty-five" and should have said "ten and two tenths" AFY.

The Board discussed the project.

Greg Nester, developer, answered questions from the Board. There will be 10 condos, 3 commercial units and 1 landscaping service.

There was no public comment.

Upon motion by Director Harrison and seconded by Director Trotter, the Board agreed to follow the recommendation of staff to transfer 1.8 AF of water from the Single-Family Category 1 into the Multi-Family Category 2, direct staff to allocate 1.8 AFY of water to the project in accordance the District's water allocation policy and re-issue the Intent-to-Serve (ITS) letter for the project with the conditions as noted in the Board letter and as amended. Vote 5-0.

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

01:03:05

E-2) CONSIDER NESTER INTENT-TO-SERVE APPLICATION FOR TEFFT AND THOMPSON MIXED USE PROJECT AND TRANSFER ALLOCATION FROM SINGLE FAMILY FUND TO MULTI-FAMILY FUND

Bruce Buel, General Manager, explained the request from Greg Nester for water and sewer service to a mixed-use project on Tefft at Thompson. He stated there was the same error as in Item E-1 in the Board letter in paragraph 3 under Background. The total water demand, estimated to be 10.2 AFY, was spelled out "thirty-five" and should have said "ten and two tenths" AFY.

Greg Nester described the project to the Board and answered questions from the Board. There was no public comment.

Upon motion by Director Vierheilig and seconded by Director Trotter, the Board unanimously agreed to to transfer 1.08 AF of water from the Single-Family Category 1 into the Multi-Family Category 2 in AY06-07, direct staff to allocate 1.08 AFY of water to the project in accordance the District's water allocation policy and issue an Intent-to-Serve (ITS) letter for the project with the conditions as noted in the Board letter and as amended. Vote 5-0.

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

**MINUTES SUBJECT TO BOARD APPROVAL**

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

01:19:52

- E-3) CONSIDER FLATLEY INTENT-TO-SERVE APPLICATION FOR 691 WEST TEFFT MIXED USE PROJECT AND TRANSFER ALLOCATION FROM SINGLE FAMILY FUND TO MULTI-FAMILY FUND

Bruce Buel, General Manager, explained the request from West Tefft, LLC. (Terry Flatley) for water and sewer service for a mixed-use project at 691 West Tefft Street. He stated there was the same error as in Item E-1 in the Board letter in paragraph 3 under Background. The total water demand, estimated to be 10.2 AFY, was spelled out "thirty-five" and should have said "ten and two tenths" AFY.

Pat Flatley, representative for developer Terry Flatley, described the project and answered questions from the Board. Mr. Flatley stated that he understands that he will pay the capacity fees that are in effect at the time of service.

There was no public comment.

Upon motion by Director Harrison and seconded by Director Vierheilg, the Board agreed to follow the recommendation of staff to transfer 2.0 AF of water from the Single-Family Category 1 into the Multi-Family Category 2 in AY06-07 and 2.0 AF of water from Single-Family to Multi-Family in AY 07-08, direct staff to allocate 2.0 AFY of water to the project in each allocation year in accordance the District's water allocation policy and re-issue the Intent-to-Serve (ITS) letter for the project with the conditions as noted in the Board letter and as amended. Vote 5-0.

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

Director Trotter left the meeting at 10:48 p.m.

01:33:40

- E-4) CONSIDER ADOPTION OF RESOLUTION AMENDING INTENT-TO-SERVE APPLICATION FEES

Bruce Buel, General Manager, described the findings for amending fees for processing of Intent-to-Serve letters.

There was no public comment.

Upon motion by Director Eby and seconded by Director Vierheilg, the Board agreed to staff's recommendation to adopt Resolution 2007-1039 and direct staff to implement. Vote 4-0.

**RESOLUTION NO. 2007-1039  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ESTABLISHING FEES, BY CATEGORY, FOR PROCESSING  
APPLICATIONS FOR DISTRICT SERVICES**

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

**MINUTES SUBJECT TO BOARD APPROVAL**

01:39:57

E-5) REVISE SALARY RANGE FOR UTILITY SUPERINTENDENT AND AUTHORIZE RECRUITMENT

Bruce Buel, General Manager, reviewed the reasons for recommending increasing the salary range for recruiting the Utility Superintendent from #47 to #53. The Board discussed the matter. There was no public comment. Upon motion by Director Vierheilig and seconded by Director Eby, the Board unanimously approved the increase of the salary range for the Utility Superintendent from 47 to 53 and authorize recruitment. Vote 4-0.

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

01:43:29

E-6) SET DATE AND FORMAT FOR 2007 STRATEGIC PLAN WORKSHOP

Bruce Buel, General Manager, reviewed the prospect of holding the strategic plan workshop for one and one half days. He stated that the directors could assemble topics for discussion before the workshop. The Board discussed that last year's one-day workshop was not long enough. There was no public comment. Upon motion by Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to hold the strategic workshop for 1.5 days on November 30 and December 1, 2007. Vote 4-0.

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

01:55:42

E-7) REVIEW AND RESPOND TO ACTIONS OF 8/09/07 COUNTY PLANNING COMMISSION REGARDING AFFORDABLE HOUSING ORDINANCES AND FRAMEWORK FOR PLANNING

Bruce Buel, General Manager, reviewed the proposed response to actions of August 9, 2007 SLO County Planning Commission regarding Affordable Housing Ordinances and Framework for Planning Amendments. Jon Seitz, District Legal Counsel, explained the draft letter. The Board offered suggestions for revision to the letter. There was no public comment. Upon motion by Director Vierheilig and seconded by Director Harrison, the Board unanimously approved the amended letter and directed staff to submit the letter to the SLO County Planning Commission prior to the meeting and at the Planning Commission meeting. Vote 4-0.

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

02:46:26

F. MANAGER'S REPORT

Bruce Buel, General Manager, stated that there were no additions to the written material in the Board letter. The Board asked questions. There was no public comment.

**MINUTES SUBJECT TO BOARD APPROVAL**

**Nipomo Community Services District  
REGULAR MEETING  
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02:25:25

**G. COMMITTEE REPORTS**

1. 8/9/07 Supplemental Water Committee Meeting
2. 8/13/07 Finance Audit and Personnel Committee Meeting

The Board accepted the minutes to the committee meetings, as written. There was no public comment.

02:52:531

**H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS**Director Vierheilig

Asked Mr. Buel for a summary of the weekly cabinet meetings.

Director Winn

Stated that the announcement for Clean-Up Week needs to note that computers, monitors, etc. can be taken to the Hazardous Waste Center at Southland on Saturdays and at no charge. He asked if staff would check on the contract for solid waste. He spoke with Tom Martin of South County Sanitary who said there was no state law requiring recycling. South County will educate the apartment dwellers that the cost for trash collection could be less if there is more recycling because it reduces the amount of undifferentiated trash.

Director Harrison

Asked what guidelines determine a waiver for trash collection.

Mr. Buel stated that the ordinance gives the general manager discretion. He will be coming back with guidelines for Board approval. South County Sanitary has vacant house rates and vacation rates.

03:00:09

**I. CLOSED SESSION ANNOUNCEMENTS**

Jon Seitz, District Legal Counsel, announced the following items to be considered 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, 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; MARIA VISTA ESTATES V. NCSO ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSO VS. SLO COUNTY (CASE NO. CV 070066)
5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – REVIEW GENERAL MANAGER'S PERFORMANCE PURSUANT TO GOVERNMENT CODE SECTION 54957

**MINUTES SUBJECT TO BOARD APPROVAL**



Nipomo Community Services District  
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J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public present to comment.

03:01:07

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:14 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:21 p.m.

There was no audience present.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items listed above. There was no reportable action.

ADJOURN

President Winn adjourned the meeting at 1:23 p.m.

➤ **THE NEXT REGULAR BOARD MEETING IS SEPTEMBER 12, 2007.**

**TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Water Conservation Program
- Office Landscape and Irrigation
- Retention of Lobby Firm to Seek Federal Water Funding

➤ **THE NEXT SPECIAL BOARD MEETING IS AUGUST 29, 2007.**

**TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Review Water Projects Proposed in Draft Master Plan

**MINUTES SUBJECT TO BOARD APPROVAL**

# NIPOMO COMMUNITY SERVICES DISTRICT

Wednesday, August 29, 2007

9:00 A. M.

## SPECIAL MEETING MINUTES

### BOARD of DIRECTORS

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

### PRINCIPAL STAFF

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

### MEETING LOCATION

District Board Room  
148 S. Wilson Street  
Nipomo, California

00:00:00

#### A. CALL TO ORDER, FLAG SALUTE, AND ROLL CALL

President Winn called the meeting to order at 9:00 a.m. and led the flag salute. At Roll Call, all Board members were present.

00:00:46

President Winn explained that in a Special Meeting, public comment is taken only on the items on the agenda.

00:01:39

#### B. REVIEW WATER PROJECTS PROPOSED IN DRAFT WATER AND SEWER MASTER PLAN

Bruce Buel, General Manager, explained that this item is for the Board to discuss the options presented by Cannon Associates and edit the proposed listings. The Board also needs to discuss the costs set forth in the listing to determine which projects should be included as supplemental water cost in the 2008-2012 Combined Water System Financial Plan.

Larry Kraemer and Jeff Spannbaauer from Cannon Associates presented information with a slide presentation. They discussed the production from the existing wells and the future delivery a supplemental water supply. The Board asked Mr. Kraemer and Mr. Spannbaauer questions about the report. They explained that the computer model was prepared using existing information in the GIS, the SLO County maps showing current and future land use, and the sphere-of-influence maps. A copy of the presentation is available for viewing in the District office.

Director Trotter left the meeting at 9:56 a.m.

The following member of the public spoke:

Bill Nelson, NCS D resident – complimented the Cannon staff for the study using the assumptions they were working with. He suggested that they take the dollar figures and break them down to a yearly basis out to 2030 to tell how much money is being spent each year. He would like to see the cost of the assumed desalination plant spread out the same way so it can be seen how we will achieve water.

**MINUTES SUBJECT TO BOARD APPROVAL**

NIPOMO COMMUNITY SERVICES DISTRICT

Wednesday, August 29, 2007

9:00 A. M.

**SPECIAL MEETING MINUTES**

Page 2

**B. REVIEW WATER PROJECTS PROPOSED IN DRAFT WATER AND SEWER MASTER PLAN (continued)**

Dan Migliazzo, NCSD Utility Supervisor, stated that the Hermreck and Savage Well sites that could possibly be developed if getting water from CCWA doesn't happen.

Director Winn explained that the Board had taken a policy position several years ago to draw down water from the Hermreck Well lower than the 350 feet so as not to interfere with the neighboring farmers' wells.

There was more Board discussion.

*The Board took a break at 11: 07 a.m. and returned at 11:18 a.m.*

Mr. Buel asked the Board to clarify what items should be left in the Master Plan and which items need to be forwarded for Mr. Reed to complete the rate study.

The Board discussed which items would remain in the Master Plan. The Board agreed that the items to be designated for the supplemental water project are the line items on page 1: Lines 8, 24 thru 28, and 31 thru 36. The Board agreed that the following items be removed from the Master Plan: Page 3, Lines 7, 8, 9, 13 (partial), 14, 16, 18, 19.

The final items to be sent to Mr. Reed for the supplemental water portion of the Rate Study for this rate period include:

Page 1

\$270,000 Willow Road upgrade in Block 1

\$3,950,000 Backbone upgrades in Block 4

\$3,252,000 Willow Road Extension upgrades in Block 5

Page 2 - nothing

Page 3 - nothing

0225:33

**C. ADJOURN**

President Winn adjourned the meeting at 11:36 a.m.

**MINUTES SUBJECT TO BOARD APPROVAL**