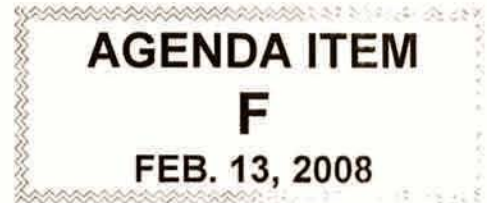


TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEB. 8, 2008



MANAGER'S REPORT

ITEM

Standing report to your Honorable Board --*Period covered by this report January 16, 2008 through February 6, 2008.*

DISTRICT BUSINESS

Administrative

Maria Vista Estates has set a total of ten water meters.

The County will not issue the Shop Office Occupancy Permit until the paving is complete. The low bidder for the paving was Advance Design for Asphalt by Hayes and Sons for \$13,200 and staff expects Hayes to complete their work by Feb 20, 2008. Staff expects to request Board acceptance at the February 27, 2008 Board Meeting.

Staff participated in the February 7, 2008 NMMA Technical Group Meeting.

Attached is an outline of the topics that the District Engineer will present at Agenda Item C-3.

Attached is a listing of upcoming meetings and events per the request of Director Vierheilig.

Attached is a letter from Senator Maldonado regarding this year's state budget.

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 the Supplemental Water fiscal report through December 2007.

Conservation Program Activities

The Water Conservation Committee reviewed the revised Draft Water Conservation Plan and recommended Board adoption with further revisions (See Agenda Items E-4 and G).

The February 2, 2008 Landscape Workshop attracted 45 participants and was well received.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENTS

- Listing of District Engineer Activities
- Listing of Upcoming Meetings and Events
- Letter re State Budget from Senator Maldonado
- SWP Fiscal Activity Summary

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NIPOMO COMMUNITY SERVICES DISTRICT

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MEMORANDUM

TO: BRUCE BUEL, GENERAL MANAGER
FROM: *PVS* PETER V. SEVCIK, P.E., DISTRICT ENGINEER
DATE: FEBRUARY 7, 2008
RE: DISTRICT ENGINEER ACTIVITIES UPDATE

- **Southland WWTF Upgrade**
 - Continued to work with Fugro on Phase 2 Discharge Investigation – Tasks 1, 2 and 4 completed and presented to the Southland WWTF Upgrade Project Committee on February 4, 2008
 - Working on obtaining permission to sample wells for Task 5, Deep Aquifer Water Quality Assessment
- **Water and Sewer Master Plan**
 - Obtained the water system and sewer system model data from Cannon
 - Moved the WaterGEMS and SewerGEMS software to a District computer system
 - Attended initial training for WaterGEMS and SewerGEMS modeling software
- **Santa Maria Waterline Intertie Project** – Providing assistance to General Manager
- **Safety Program**
 - Conducted training for all operations employees on January 10
 - Working on setting up web based safety training program through SDRMA
- **Other**
 - Continued to manage and coordinate Replacement Study
 - Assisted with construction of New Operations Center
 - Prepared monthly compliance reports for the water and sewer systems
 - Prepared annual compliance reports for the Southland WWTF and Blacklake WWTF

LISTING OF UPCOMING MEETINGS AND EVENTS

2/9 @ 9am @ NCSD – WC Workshop 2
2/13 @ 9am @ NCSD – Board Meeting
2/16 @ 9am @ NCSD – WC Workshop 3
2/17 @ 9am @ NCSD – SCAC Land Use Committee
2/18 @ 8:30am @ SLO County Government Ctr – BoS re Retrofit
2/21 @ 9am @ SLO County Government Center – LAFCO
2/23 @ 9am @ NCSD – WC Workshop 4
2/25 @ 1pm @ NCSD – SWP Committee Meeting
2/25 @ 6:30pm @ NCSD – SCAC
2/27 @ 9am @ NCSD – Board Meeting
2/27 @ Noon @ Blacklake – Lunch
3/3 @ 2pm @ NCSD – Southland WWTF Upgrade Project Committee Meeting
3/5 @ 1:30pm @ City/County Library – WRAC
3/12 @ 9am @ NCSD – Board Meeting
3/19 @ 4pm @ Southland WWTF – Open House

WRAC – 1st Wed

LAFCO – 3rd Thursday

Chamber – Last Wed Lunch + Quarterly Tues Breakfast



California State Senate

ABEL MALDONADO
FIFTEENTH SENATE DISTRICT

January 28, 2008

Bruce Buel, General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444-0326

Dear Mr. Buel:

Thank you for taking time to contact my office to express your Board's concern with the possibility of the state borrowing property tax proceeds from local agencies to augment the state's budget. Your input on this issue is important to me.

As you know, this will be a very difficult budget year for our State and many painful decisions will have to be made. Having come from local government, I know how important these dollars are for funding important programs in our cities and counties. Rest assured that I will not support a budget that contains drastic cuts to local governments.

Again, thank you for your letter. Please continue to keep me apprised of issues of importance to you and the Nipomo Community Services District.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Maldonado".

ABEL MALDONADO

AM/dr

RECEIVED

JAN 31 2008

NIPOMO COMMUNITY
SERVICES DISTRICT

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

REVENUES FY 2007-2008 (1)	<u>MONTH OF</u> <u>DECEMBER</u>	<u>FISCAL YEAR</u> <u>7/1/2007 TO</u> <u>6/30/2008</u>
Supplemental Water Capacity Fees Collected	70,023.50	1,018,879.25
Interest Income (monthly & quarterly posting)	16,501.79	60,260.01
Revenue Subtotal	86,525.29	1,079,139.26
EXPENDITURES FY 2007-2008 (2)		
<u>CONSULTANTS</u>		
1590-A1 Feasibility Study (Cannon)	0.00	0.00
1590-A2 EIR Preparation (Wood & Assoc)	0.00	0.00
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	0.00	923.40
1590-A6 Project Support (Cannon)	0.00	0.00
1590-A7 Groundwater Grant Assistance (SAIC)	15,000.00	15,000.00
<u>LEGAL</u>		
1590-B1 Shipsey & Seitz	0.00	1,249.50
1590-B2 McDonough, Holland & Allen	0.00	0.00
1590-B3 Richards, Watson & Gershon	0.00	0.00
<u>LAND ACQUISITION</u>		
1590-C1 Tarvin & Associates	0.00	0.00
<u>FINANCIAL</u>		
1590-D1 Reed Group	0.00	0.00
1590-D2 Marlowe & Company (Lobbyist)	9,000.00	9,000.00
<u>ENGINEERING</u>		
1590-E1 Preliminary Engineering Design (Boyle)	0.00	0.00
1590-E2 Water Modeling by Carollo (City of Santa Maria)	0.00	0.00
1590-E3 Alternative Water Supplies (Boyle)	0.00	70,772.01
<u>OTHER</u>		
1590-F1 FGL Environmental	0.00	0.00
1590-F2 Copy/Print	0.00	0.00
<u>SALARY AND BENEFITS (3)</u>		
1590-Z1 Wages-Capitalized	2,187.50	13,822.10
1590-Z2 Payroll Taxes-Capitalized	31.71	200.34
1590-Z3 Retirement-Capitalized	629.08	3,976.71
1590-Z4 Medical-Capitalized	203.51	1,221.06
1590-Z5 Dental/Vision-Capitalized	27.13	157.35
1590-Z6 Workers Compensation-Capitalized	17.45	110.29
Expenditure Subtotal	27,096.38	116,432.76
Net Revenues less Expenditures	59,428.91	962,706.50
Beginning Fund Balance as of July 1, 2007		2,354,803.02
Ending Fund Balance as of December 31, 2007		3,317,509.52

(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\Financial Reports\FY 6-30-08\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>7/1/2007 TO 6/30/2008</u>	<u>GRAND TOTAL</u>
1645	Reservation Fee-City of Santa Maria	37,500.00	0.00	0.00	0.00	37,500.00
1590-A1	Feasibility Study (Cannon)	25,887.29	0.00	0.00	0.00	25,887.29
1590-A2	EIR Preparation (Wood & Assoc)	29,037.48	87,100.23	16,053.83	0.00	132,191.54
1590-A3	Est/Preliminary Schedule (Cannon)	3,706.19	2,602.75	0.00	0.00	6,308.94
1590-A4	Proposed Routes/Facilities (Cannon)	5,050.07	520.00	0.00	0.00	5,570.07
1590-A5	Prop 50 Grant Application	2,757.00	6,210.00	0.00	923.40	9,890.40
1590-A6	Project Support (Cannon)	0.00	11,797.44	0.00	0.00	11,797.44
1590-A7	Groundwater Grant Assistance (SAIC)	0.00	0.00	0.00	15,000.00	15,000.00
1590-B1	Shipsey & Seitz	0.00	23,095.55	17,564.25	1,249.50	41,909.30
1590-B2	McDonough, Holland & Allen	0.00	34,177.28	15,871.65	0.00	50,048.93
1590-B3	Richard, Watson & Gershon	0.00	9,472.38	27,954.81	0.00	37,427.19
					0.00	
1590-C1	Tarvin Appraisal	0.00	0.00	16,170.00	0.00	16,170.00
1590-D1	Reed Group	0.00	2,809.85	0.00	0.00	2,809.85
1590-D2	Marlowe & Company (Lobbyist)	0.00	0.00	0.00	9,000.00	9,000.00
1590-E1	Preliminary Engineering Design (Boyle)	0.00	6,470.33	223,286.67	0.00	229,757.00
1590-E2	Water Modeling by Carollo (City of SM)	0.00	0.00	24,942.00	0.00	24,942.00
1590-E3	Alternative Water Supplies (Boyle)	0.00	0.00	164,230.48	70,772.01	235,002.49
					0.00	
1590-F1	Lab Testing (FGL Environmental)	0.00	0.00	5,047.00	0.00	5,047.00
1590-F2	Copy/Print	0.00	0.00	740.24	0.00	740.24
					0.00	
1590-Z1	Wages-Capitalized	0.00	29,076.92	35,884.51	13,822.10	78,783.53
1590-Z2	Payroll Taxes-Capitalized	0.00	587.22	587.42	200.34	1,374.98
1590-Z3	Retirement-Capitalized	0.00	8,418.08	10,344.53	3,976.71	22,739.32
1590-Z4	Medical-Capitalized	0.00	2,861.36	3,367.02	1,221.06	7,449.44
1590-Z5	Dental/Vision-Capitalized	0.00	0.00	247.90	157.35	405.25
1590-Z6	Workers Compensation-Capitalized	0.00	260.35	341.83	110.29	712.47
		103,938.03	225,459.74	562,634.14	116,432.76	1,008,464.67

**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>
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
FY June 30, 2009	85,000.00	162,240.00	247,240.00	3,595,000.00
FY June 30, 2010	85,000.00	160,157.50	245,157.50	3,510,000.00

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**NIPOMO COMMUNITY SERVICES DISTRICT
SUPPLEMENTAL WATER FEES COLLECTED**

PROJECT	DEVELOPER	SUMMARY	DATE PAID	WATER SUPPLY PORTION	PIPELINE PORTION	SUPPLEMENTAL TOTAL
2939	NEWDOLL	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	7/25/2007	6,699.92	828.08	7,528.00
2595	BAUR	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	7/24/2007	1,801.36	222.64	2,024.00
CO 06-0082	BEAUCHAMP	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	8/7/2007	900.68	111.32	1,012.00
CO 04-0606	PEOPLE SELF HELP	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	8/27/2007	1,935.75	239.25	2,175.00
2595	PUHEK	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	10/15/2007	5,024.94	621.06	5,646.00
092-130-044	ROOSEVELT APTS	DEPOSIT FOR TWO 4" DOMESTIC, ONE 2" IRRIGATION, ONE 4" IRRIGATION, ONE 4" FIRE SYSTEM, ONE 6" FIRE SYSTEM AND CREDIT FOR ONE 1" SERVICE	10/31/2007	725,246.10	89,637.15	814,883.25
090-135-006	SPENCER	DEPOSIT FOR ONE 1" DOMESTIC, ONE 1" IRRIGATION AND ONE 3" FIRE SYSTEM	11/27/2007	45,625.40	5,639.10	51,264.50
CO 06-0037	VILLAGE AT NIPOMO	DEPOSIT FOR ONE 1.5" DOMESTIC, ONE 4" DOMESTIC AND THREE 1" IRRIGATION AND CREDIT FOR 5 1" DOMESTIC	11/26/2007	53,644.75	6,630.25	60,275.00
2658	PACE	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	11/27/2007	3,602.72	445.28	4,048.00
092-130-043	CIDER VILLAGE	FINAL FEES-BALANCE DUE TO FEE INCREASE 7/1/07	12/18/2007	62,320.90	7,702.60	70,023.50
FISCAL YEAR 2007-2008			SUBTOTAL	906,802.52	112,076.73	1,018,879.25

CARRY FORWARD TOTALS FOR FY 04-05,
FY 05-06 AND FY 06-07

1,146,297.23	141,327.02	1,287,624.25
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GRAND TOTAL **2,053,099.75** **253,403.75** **2,306,503.50**

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: FEB. 8, 2008



COMMITTEE REPORTS

ITEM

Receive Committee Meeting Minutes.

BACKGROUND

Attached is the set of draft minutes from the Jan. 22, 2008, Supplemental Water Project Design and Construction Committee Meeting. Chairman Eby, Member Trotter or Staff can respond to questions and receive comments from the Board regarding the meeting or the draft minutes.

President Winn and Director Harrison met with representatives from Blacklake on January 28, 2008. President Winn or Member Harrison can respond to questions regarding the meeting.

Attached is the set of draft minutes from the Jan. 30, 2008, Water Conservation Committee Meeting. President Winn, Member Vierheilg or Staff can respond to questions and receive comments from the Board regarding the meeting or the draft minutes.

Attached is the set of draft minutes from the Feb. 4, 2008, Southland WWTF Upgrade Project Committee Meeting. President Winn, Member Harrison or Staff can respond to questions and receive comments from the Board regarding the meeting or the draft minutes.

The Board, staff and members of the public participated in an educational tour of the Morro Bay Desalination Facility on February 6, 2008.

RECOMMENDATION

It is recommended that your Honorable Board discuss the draft minutes as appropriate.

ATTACHMENT

1. 1/22/08 SWP Committee Meeting Minutes
2. 1/30/08 Water Conservation Committee Meeting Minutes
3. 2/04/08 Southland WWTF Upgrade Project Committee Meeting Minutes

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NIPOMO COMMUNITY SERVICES DISTRICT

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MINUTES OF THE 1/22/08 MEETING OF THE SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Eby called the Special Meeting to order at 2pm in the NCSD Board Chambers. Both Chairman Eby and Director Trotter were in attendance along with staff members Bruce Buel, Peter Sevcik, and Celeste Whitlow; Boyle representative Mike Nunley; DWA representative Doug Wood; and nine members of the public. Chairman Eby described the purpose and format of the meeting. There was no public comment.

2. REVIEW WIP DEVELOPMENT PROCESS

Bruce Buel reviewed staff's proposed revival steps and promised to develop a network analysis following edits to the list. Extensive committee discussion followed with requests to add Rural Water to the list of partners to revise the Santa Maria MOU to be much more specific regarding the details of the interconnection between the two systems. Ed Eby emphasized his belief that a well defined physical interface between the Santa Maria side of the project and the NCSD side of the project is essential to a successful and cost effective project. Bill Petrick asked for more details. Scott Blume spoke to the need for the District to coordinate the work of the HDD Contractor with the work of the trench contractor.

3. REVIEW NCSD DESALINATION PROJECT DEVELOPMENT PROCESS

Bruce Buel reviewed excerpts from the proposed development steps listing and promised to develop a network analysis following edits to the list. Extensive committee discussion followed on the list and the potential of getting desalted water from the City of Santa Barbara. Bill Petrick expressed doubt that NCSD was capable of developing a stand alone desalination project. Rudy Ebeling urged NCSD to consider developing an off-site solar power project as a means of raising funding. Ed Eby indicated that the good part about the desalination project is that the initial effort involves a modest investment to get to the point where big funding was needed to construct the actual works.

**MINUTES OF THE 1/22/08 MEETING OF THE
SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE
Page 2**

4. RECEIVE PRESENTATION FROM LAYNE-CHRISTIANSEN RE DESAL

Rob Thompson of Layne-Christiansen introduced Tony Morgan and Jim Elliot, who provided an overview of the process to develop a desalination project and the services that Layne-Christiansen offered. Rudy Ebeling asked about staffing and the possibilities for phasing construction.

5. SET NEXT COMMITTEE MEETING

The Committee agreed by consensus to meet at 1pm on Monday February 25, 2008. There was no public comment.

6. ADJOURNMENT

Ed Eby thanked the public for participating and adjourned the meeting at 4:13pm.

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NIPOMO COMMUNITY SERVICES DISTRICT

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MINUTES OF THE 1/30/08 SPECIAL MEETING OF THE WATER CONSERVATION COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Winn called the Special Meeting to order at 9am in the NCSD Board Chambers. Both Chairman Winn and Director Vierheilig were in attendance along with one member of the public and staff members Bruce Buel and Celeste Whitlow. Chairman Winn described the purpose and format of the meeting.

2. DISCUSS REVISED DRAFT WATER CONSERVATION PLAN

Celeste Whitlow described the edits to the Draft Water Conservation Plan (Plan) proposed by staff in response to the Board's previous policy direction. Committee discussion followed on the reasons why NCSD should adopt a Plan and the benefits of water conservation. The Committee agreed, by consensus, that staff should include a proposal in the Plan for development of a turf replacement program and that more funding was needed for education. The Committee then proposed edits to the draft on the following pages – 8, 9, 12, 13, 17, 18, 19, 20, 21, 22, 23, 24, 28, 30, 36, 43, 48, 51, and 58. The Committee requested that staff also perform a global search to identify and replace the word "overdraft" with language to the effect that consumptive use on the Mesa is exceeding natural recharge. Both Mike Winn and Larry Vierheilig expressed concern over the state's effort to require usage if ultra-low flow toilets. Larry Vierheilig moved to recommend that the Board adopt the Plan as revised per above. Mike Winn seconded the motion, which passed unanimously. There was no public comment on this item.

3. ADJOURNMENT

Chairman Winn adjourned the meeting at 11:04am.

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MINUTES OF THE 2/4/08 MEETING OF THE SOUTHLAND WWTF UPGRADE PROJECT COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Winn called the Special Meeting to order at 2:00pm in the NCSD Board Chambers. Both Chairman Winn and Director Harrison were in attendance along with General Manager Bruce Buel; Utility Superintendent Tina Grietens; District Engineer Peter Sevcik; Paul Sorensen from Fugro West; Mike Nunley and Malcolm McEwen from Boyle Engineering and fifteen members of the public. Chairman Winn described the purpose and format of the meeting. Peter Sevcik provided background information on the work done to date in evaluating options to upgrade the Southland WWTF.

2. RECEIVE FUGRO PRESENTATION RE RELATIONSHIP OF CURRENT DISCHARGE AND NIPOMO CREEK FLOWS (TASK 4)

Peter Sevcik described the purpose for performing this task and introduced Paul Sorensen of Fugro. Paul Sorensen then summarized the five tasks that Fugro has been working on and reviewed the results from the Task 4 investigation of the relationship between discharge at Southland and flow in Nipomo Creek. Committee discussion followed on the variations in the water quality data and the potential of puncturing the aquitard to leak treated wastewater down to the lower aquifer. John Snyder asked why Fugro used the Eureka Well for comparison of basin water quality to the disposal site. Jim Harrison moved to receive the report and forward it to the Board. Mike Winn seconded the motion, which passed unanimously.

3. RECEIVE FUGRO PRESENTATION RE ASSESSMENT OF EXTRACTION OF DISCHARGE WATER (TASK 2)

Peter Sevcik described the purpose for performing this task and introduced Paul Sorensen of Fugro. Paul Sorensen then reviewed the results from the Task 2 investigation and concluded that it was technically possible to extract water from underneath the percolation ponds for transport elsewhere. Committee discussion followed on the water quality of the water in the subsurface mound and the relationship of the mound to the Santa Maria Valley Fault. John Snyder asked Fugro if Fugro had calculated various measures of groundwater movement in the Southland area and about trends in groundwater quality. Mike Winn requested that Fugro correct an error in Table 4 on Page 7 (2013 should be 2016). Mike Winn also requested that Fugro share any information that they have regarding the Santa Maria Valley Fault with NCSD. Jim Harrison moved to receive the report and forward it to the Board. Mike Winn seconded the motion, which passed unanimously.

**MINUTES OF THE 2/4/08 MEETING OF THE
SOUTHLAND WWTF UPGRADE PROJECT COMMITTEE**

Page 2 of 2

4. RECEIVE FUGRO PRESENTATION RE ADDITIONAL PERCOLATION SITE INVESTIGATION (TASK 1)

Peter Sevcik described the purpose for performing this task and introduced Paul Sorensen of Fugro. Paul Sorensen then reviewed the results from the Task 1 investigation and concluded that it was technically possible to discharge treated wastewater in the Mesa Road area with the best results to the South of Mesa Road. Committee discussion followed on the conclusions. John Snyder asked why Fugro only studied Mesa Road, whether the faults were well understood, what was happening with the observed water levels, and whether adjacent wells had been accurately located. Nancy Gleason also asked about the scope of the study and requested that notice be provided to all affected parties. Joan Bonino asked about the impacts of operating percolation basins. Analiza Thuse asked what other sites would be considered. Ethel Landers expressed a concern regarding the impacts of operating disposal operations in the Mesa Road area. Mike Winn assured the audience that the process used to select disposal solutions would be open and that impacts would be evaluated. Bruce Buel explained the scope of this phase of assignments and commented on the options yet to be evaluated. Paul Sorensen described Fugro's understanding of local geo-hydrology and what was not known. Paul Sorensen agreed to double check the water level information presented in the Report. Jim Harrison moved to receive the report and forward it to the Board. Mike Winn seconded the motion, which passed unanimously.

5. DISCUSS REMAINING PHASE II RESEARCH (TASKS 3 AND 5)

Peter Sevcik reviewed the status of the two remaining tasks and indicated that the Task 5 research on water quality of the lower basin was proceeding, but Task 3 was on hold until it was clear where additional disposal would be proposed. Committee discussion followed on the timeline for the Task 5 research. There was no public comment.

6. CONSIDER PHASE III RESEARCH PROGRAM CONCEPTS

Peter Sevcik and Bruce Buel described the various disposal options yet to be evaluated and recommended that staff consult with the Regional Water Quality Control Board and the Department of Health Services before presenting an additional proposal from Fugro to perform new tasks. Jim Harrison asked about the cost of tertiary treatment. Mike Winn agreed with the need to notify landowners regarding the District's interest in their respective properties, expressed a concern regarding the cost of tertiary treatment, asked for information on how other communities have paid for reclamation, asked for a comparison of the cost of reclamation with other supplemental water options, and asked staff to pro-actively report on interactions with the regulatory agencies. John Snyder indicated that NCS D was prohibited from degrading the quality of the native groundwater, supported the idea of comparing the cost of reclamation with supplemental water alternatives, and encouraged NCS D to consider injecting the treated wastewater near the coast as a sea water barrier. Arthur Cox expressed his opinion that NCS D must upgrade to tertiary treatment and that NCS D should seek grant funding to pay for the upgrade. Bill Nelson described the wastewater works under construction in Nevada County. Ethel Landers encouraged NCS D to consider providing treated wastewater to the Dana Adobe for irrigation of their property. Mike Winn thanked the audience for their constructive comments and promised to maximize interaction with the community as more information becomes available. The Committee, by consensus, agreed with staff's recommendation regarding consultation with the regulatory agencies.

**MINUTES OF THE 2/4/08 MEETING OF THE
SOUTHLAND WWTF UPGRADE PROJECT COMMITTEE**

Page 2 of 2

7. SET MEETING DATE(S) FOR SUBSEQUENT MEETINGS

The Committee agreed, by consensus to meet again at 2pm on Monday, March 3, 2008. There was no public comment.

8. ADJOURNMENT

Chairman Winn thanked the public for participating and adjourned the meeting at 4:05 p.m.

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