

TO: BOARD OF DIRECTORS  
FROM: BRUCE BUEL *BBB*  
DATE: MARCH 7, 2008

**AGENDA ITEM  
F  
MARCH 12, 2008**

**MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board --*Period covered by this report February 21, 2008 through March 5, 2008.*

**DISTRICT BUSINESS**

**Administrative**

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

Staff will hold an Open House from 4pm to 6pm on Wednesday March 19<sup>th</sup> to present the Operations Center and to introduce Tina Grietens and Peter Sevcik.

The RWQCB has released a public review draft of On-Site Waste Management System Regulations (Available for review at NCSD).

Attached is a brief summary of the two eminent domain initiatives that have qualified for the November Statewide Ballot.

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

**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 January 2007.

**Conservation Program Activities**

Staff has initiated implementation of the Water Conservation Program. Both the 2/9 and 2/16 Landscape Workshops were full and well received.

**RECOMMENDATION**

Staff seeks direction and input from your Honorable Board.

**ATTACHMENTS**

- Summary of Eminent Domain Initiatives
- Listing of Upcoming Meetings and Events

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**Bruce Buel**

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**From:** Richards, Watson and Gershon [e-ALERT@rwglaw.com]  
**Sent:** Wednesday, February 20, 2008 11:19 AM  
**To:** Bruce Buel  
**Subject:** eALERT: Eminent Domain Reform Initiatives on 2008 June Ballot



**February 2008**

**Two Eminent Domain Reform Initiatives  
Will Appear on the June 2008 Ballot**

Two eminent domain reform initiatives have qualified for the June 2008 ballot. The first initiative, Proposition 98, is the California Property Owners and Farmland Protection Act. Its sponsors are the Howard Jarvis Taxpayers Association, the California Farm Bureau Federation, and the California Alliance to Protect Private Property Rights. The second initiative, Proposition 99, is the Homeowners and Private Property Protection Act. The sponsors of Proposition 99 are the League of California Cities, the League of California Homeowners, and the California League of Conservation Voters.

Proposition 98 prohibits a public entity from using eminent domain to transfer the ownership, occupancy or use of a property to a private party, including for the consumption and use of natural resources such as conservation and open space easements. Proposition 98 also:

- Prohibits a public entity from limiting the price a private owner may charge another person to purchase, occupy or use his or her real property. It thus impacts the ability of a public entity to enact new rent control ordinances or regulations. It would allow existing regulations to remain in place until the current tenant vacates the unit.
- Prohibits a public entity from using the power of eminent domain to acquire property for a use similar to the use made by the owner.
- Prohibits a public entity from acquiring real property or associated property rights in order to transfer an economic benefit to private persons at the expense of the property owner. This may impact the



ability of public entities to impose certain land-use regulations, conditions of development, or environmental mitigations if they are deemed to transfer an economic benefit to others at the expense of the property owner. This provision may also prohibit public entities from enforcing inclusionary housing ordinances if such ordinances are mandatory and are deemed to transfer an economic benefit to others at the expense of the property owner.

- Provides that just compensation includes the fair market value of the property, reasonable costs and attorney fees when the amount of the judgment is greater than the public entity's offer, and any additional actual and necessary amounts to compensate the owners.
- Makes additional substantive changes to the Eminent Domain Law.

The provisions of Proposition 98 would take effect the day after the election, except for the rent control provisions discussed above.

Proposition 99 would prohibit a public entity, including a redevelopment agency, from taking by eminent domain an owner-occupied residence to convey it to a private person. Proposition 99 does not apply to acquisitions for public works and improvements. Proposition 99 provides that if another initiative measure dealing with eminent domain reform appears on the same statewide ballot as Proposition 99, all of the provisions of the other measure are deemed to conflict with those of Proposition 99. If Proposition 99 receives more votes than Proposition 98, then Proposition 99 would take effect over Proposition 98.

**FOR ADVICE FROM RW&G CONCERNING THE 2008 EMINENT DOMAIN REFORM INITIATIVES, PLEASE CONTACT PAULA BAEZA AT [PBAEZA@RWGLAW.COM](mailto:PBAEZA@RWGLAW.COM) OR KIRSTEN R. BOWMAN AT [KBOWMAN@RWGLAW.COM](mailto:KBOWMAN@RWGLAW.COM) OR ANY OF THE LAWYERS IN THE FIRM'S EMINENT DOMAIN PRACTICE GROUP.**

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## LISTING OF UPCOMING MEETINGS AND EVENTS

3/12 @ 9am @ NCSD – Board Meeting  
3/19 @ 4pm @ Southland WWTF – Open House  
3/24 @ 6:30pm @ NCSD - SCAC  
3/25 @ 7am @ Monarch Dunes – Chamber Breakfast (Pres Winn Speech)  
3/26 @ 9am @ NCSD – Board Meeting  
3/27 @ 9am @ BoS Chambers – LAFCO  
4/2 @ 1:30pm @ City/Co Library – WRAC  
4/4 @ 9am @ Santa Clara – Hearing on Water Rights Issues  
4/7 @ 2pm @ NCSD – Southland WWTF Upgrade Committee Meeting  
4/9 @ 9am @ NCSD – Board Meeting  
4/10 @ 9am @ NCSD – Finance and Audit Committee Meeting  
4/14 @ 1pm @ NCSD – SWP Committee Meeting

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Board of Supervisors – Most Tuesdays  
WRAC – 1<sup>st</sup> Wed  
SLO County Planning Commission – 2<sup>nd</sup> Thursday  
LAFCO – 3<sup>rd</sup> Thursday  
SCAC – Last Monday  
Chamber – Last Wed Lunch + Quarterly Tues Breakfast  
SLO County Planning Commission – 4<sup>th</sup> Thursday

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MARCH 12, 2008**

COMMITTEE REPORTS

**ITEM**

Receive Committee Meeting Minutes.

**BACKGROUND**

Attached are minutes from the 2/25/08 Supplemental Water Project Design and Construction Committee Meeting. Directors Eby and Trotter can respond to questions regarding the meeting.

Attached are minutes from the 3/3/08 Finance and Audit Committee Meeting. Directors Vierheilg and Harrison can respond to questions regarding the meeting.

**RECOMMENDATION**

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

**ATTACHMENTS**

- 2/25/08 SWP COMMITTEE MEETING MINUTES
- 3/3/08 FINANCE AND AUDIT COMMITTEE MEETING

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# NIPOMO COMMUNITY SERVICES DISTRICT

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## MINUTES OF THE 2/25/08 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, Tina Grietens, and Celeste Whitlow; Boyle representatives Mike Nunley and Eileen Shields; Fugro representative David Gardner; and three members of the public. Chairman Eby described the purpose and format of the meeting. There was no public comment.

### 2. RECEIVE UPDATES RE WATERLINE INTERTIE PROJECT

Bruce Buel provided an overview of the proposed presentations and introduced Mike Nunley from Boyle Engineering. Mike Nunley reviewed the hydraulic head relationships between the City and NCSD, the potential alignment of the proposed waterline, and the portions of the NCSD water system that would need to be updated. Committee discussion followed on the various proposals and options to display the information. Bruce Buel then provided updates on discussions with the City of Santa Maria and the funds spent to date. Ed Eby requested that the MOU provide for a well defined physical interface between the Santa Maria side of the project and the NCSD side of the project. Cliff Trotter requested that the MOU address the variability in ability of NCSD to take water from the City of Santa Maria. There was no public comment.

### 3. REVIEW WIP NETWORK ANALYSIS

Bruce Buel reviewed the Network Analysis published in the packet and requested Committee Feedback. Cliff Trotter suggested that the 4/7/08 submission of the Preliminary Engineering Memorandum be shown as a milestone. Ed Eby requested that the word Initiate in ID Numbers 21 through 23 be replaced with the word Conduct. Ed Eby observed that ID Numbers 9, 33 and 34 were critical to moving the project forward. There was no public comment.

### 4. REVIEW WIP PROJECT OBJECTIVES

Bruce Buel reviewed the previously adopted Project Objectives and asked for Committee feedback. Ed Eby suggested that the word Avoid at the beginning of

**MINUTES OF THE 2/25/08 MEETING OF THE  
SUPPLEMENTAL WATER PROJECT DESIGN & CONSTRUCTION COMMITTEE  
Page 2**

Objectives 1 and 9 be replaced with the word Reduce. Ed Eby further requested that the 2,000 acre feet per year in Objective 4 be revised to account for SAIC's new information and that the initial and future water delivery targets be defined. The Committee agreed to discuss this matter further at their next meeting. There was no public comment.

**5. RECEIVE PRESENTATION FROM FUGRO RE BEACH WELLS**

David Gardner of Fugro provided an overview of various technologies to intake water and to dispose of brine at the interface of the land and the ocean. The Committee asked questions of Mr. Gardner and thanked him for his presentation. There was no public comment.

**6. SET NEXT COMMITTEE MEETING**

The Committee agreed by consensus to meet at 1pm on Monday April 14, 2008. There was no public comment.

**7. ADJOURNMENT**

Ed Eby thanked the public for participating and adjourned the meeting at 3:51pm.

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## MINUTES OF THE 3/3/08 MEETING OF THE FINANCE AND AUDIT COMMITTEE

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

Chairman Vierheilg called the Special Meeting to order at 9:00 a.m. in the NCSD Board Chambers. Both Chairman Vierheilg and Director Harrison were in attendance along with staff members Bruce Buel, Lisa Bognuda, Peter Sevcik, Tina Grietens, Celeste Whitlow. Members of public were Bill Nelson and Bill Petrick.

### 2. CONSIDER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007-2008

Staff reviewed the proposed budget adjustments for fiscal year 2007-2008 with the Committee. The Committee would like to see a break out by Fund of the proposed budget adjustments. The Committee would also like to see a requisition system (Purchase Order system) be implemented.

Bill Petrick – NCSD customer, commented on Professional Services and stated that NCSD should use competitive bids for acquiring professional services instead of single sourcing out the work. The deliverables should be identified and the schedules should be stated.

Bruce Buel, General Manager, stated the Board of Directors approved the Task Order system and state law does not require competitive bidding for professional services.

Upon motion of Director Harrison and seconded by Director Vierheilg, the Committee unanimously approved forwarding the recommendations to the Board of Directors and directed Staff to include more detail by Fund for the proposed adjustments. The Committee also recommended Staff consider implementing a Purchase Order system.

### 3. REVIEW THE FOLLOWING FOR INCLUSION IN THE 2008-2009 FISCAL YEAR BUDGET:

- PROPOSED CAPITAL IMPROVEMENT PROJECTS (Pages 1-3)
- PROPOSED REPLACEMENT PROJECTS (Page 4)
- PROPOSED FIXED ASSET PURCHASES (Page 5)
- PROPOSED MAJOR OPERATIONS & MAINTENANCE ITEMS (Page 6)
- PROPOSED CONSERVATION AND PUBLIC OUTREACH BUDGET (Pages 7-8)
- PROPOSED STAFFING (Page 9)
- PROPOSED MERGER OF BLACKLAKE AND TOWN WATER DIVISIONS (Page 10)
- REPLACEMENT STUDY PROGRESS UPDATE (Page 10)
- OPEB LIABILITY (OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS) PROGRESS UPDATE (Page 10)
- FISCAL IMPACTS OF POTENTIAL RATIONING (Page 10)

Staff stated this was a Kick-Off Meeting for budget preparation. The purpose of this meeting was to receive input from the Committee prior to preparing the draft budget.



## MINUTES OF THE 3/3/08 MEETING OF THE FINANCE AND AUDIT COMMITTEE

The Committee reviewed each bullet separately.

- **PROPOSED CAPITAL IMPROVEMENT PROJECTS (Pages 1-3)**

The Committee asked questions about the proposed capital improvement projects. Bruce Buel, General Manager, stated that many of the proposed projects are recommended in the Water and Sewer Master Plan.

Bill Petrick – NCSO customer, stated the list was too big to complete them effectively. The definitions are too vague and if the Blacklake merger does not go through, the project definition will change.

Bill Nelson – NCSO customer, stated NCSO should consider paying for the landscape irrigation on both sides of the Woodgreen Lift Station.

The Committee unanimously agreed to direct Staff to prioritize the list of Capital Improvement Projects.

- **PROPOSED REPLACEMENT PROJECTS (Page 4)**

The Committee asked questions about the proposed replacement projects.

Bill Petrick – NCSO customer, questioned the allocation of projects.

- **PROPOSED FIXED ASSET PURCHASES (Page 5)**

The Committee asked questions about the proposed fixed asset list. Director Vierheilig suggested we include a wireless microphone and receiver for the Board Room.

Director Vierheilig asked about purchasing a heavy duty pick up with a crane on the back to pull lift station motors. Staff stated that would require purchasing a third pick up since this type of pick up would not be economical to drive on a routine basis.

Bill Petrick – NCSO customer, commented on proposed fixed assets of \$70,000 that are being carried over from the 2007-2008 budget.

- **PROPOSED MAJOR OPERATIONS & MAINTENANCE ITEMS (Page 6)**

The Committee asked questions about the proposed major operations and maintenance items.

Bill Petrick – NCSO customer, asked about the diving and inspection of the Blacklake tank. Mr. Petrick asked where the funds are budgeted for the repairs that may be recommended from the dive report.

Staff will include an amount for potential repairs to the Blacklake tank.

- **PROPOSED CONSERVATION AND PUBLIC OUTREACH BUDGET (Pages 7-8)**

The Committee asked questions about the proposed conservation and public outreach budget.

Bill Petrick – NCSO customer, asked how is progress tracked and how is it reported.

Celeste Whitlow stated it is her duty to follow up and make sure progress is tracked.

- **PROPOSED STAFFING (Page 9)**

Bruce Buel, General Manager, stated one new Maintenance/Customer Service Worker is proposed. The Utility Office Assistant (Part-Time) was budgeted in 2007-2008 and is expected to be filled before the end of the fiscal year.

There was no public comment.

- **PROPOSED MERGER OF BLACKLAKE AND TOWN WATER DIVISIONS (Page 10)**

Staff stated the budget may have to be modified once a decision is made on the merger.

Bill Petrick – NCSO customer, stated that the budget is inconsistent and does show the \$1M revenue that is expected from Blacklake.

Bruce Buel, General Manager, stated the \$1M revenue proposal would not be received in one year-approximately \$80K would be received per year and the funds would be placed in the Funded Replacement Fund.

- **REPLACEMENT STUDY PROGRESS UPDATE (Page 10)**

Peter Sevcik, District Engineer, stated a draft should be received by the end of the week.

There was no public comment.

## MINUTES OF THE 3/3/08 MEETING OF THE FINANCE AND AUDIT COMMITTEE

- **OPEB LIABILITY (OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS) PROGRESS  
UPDATE (Page 10)**

Lisa Bognuda, Assistant General Manager, stated a draft document has been received from The Epler Company and a telephone conference would be held at 1:30 p.m. on March 3, 2008 to review the assumptions.

- **FISCAL IMPACTS OF POTENTIAL RATIONING (Page 10)**

Bruce Buel, General Manager, recommended the discussions be deferred until after the June 11, 2008, Board Meeting. It is premature to quantify the cost of a program at this time.

There was no public comment.

#### 4. **CONSIDER EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)**

Staff presented the computation for the COLA based on Resolution 2006-1000. The computation is based on the Urban Wage Earners and Clerical Workers (Average of annual increases for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose). The COLA is computed at 3.22%.

Bill Petrick – NCSO customer, asked why the SF and LA index was used since Nipomo is not similar to these areas.

Bruce Buel, General Manager, stated there is no index for the Nipomo area.

Upon motion of Director Harrison and seconded by Director Vierheilig, the Committee unanimously approved forwarding the recommendation of 3.22% COLA to the Board of Directors for the fiscal year 2008-2009.

#### 5. **SET NEXT MEETING DATE**

The next meeting of the Finance and Audit Committee will be on Thursday, April 10, 2008, at 9:00 a.m.

The meeting was adjourned at 11:20 a.m.

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