

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: MARCH 21, 2008



CONSENT AGENDA

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

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

- D-1) APPROVE WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Approve Minutes of 3/12/08 Meeting
- D-3) AUTHORIZE NEGOTIATIONS WITH SOUTH COUNTY SANITARY SERVICE FOR
EXTENDING SOLID WASTE FRANCHISE AGREEMENT TERM [RECOMMEND
APPROVAL]
- D-4) APPROVE 3.22% COLA FOR DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2008
[RECOMMEND APPROVAL]
- D-5) REVISE FY07-08 BUDGET [ADOPT RESOLUTION]
- D-6) REVISE STANDARD SPECIFICATIONS [ADOPT RESOLUTION]
- D-7) ACCEPT NESTER TRACT 2499 WATER IMPROVEMENTS AND EASEMENT
[RECOMMEND APPROVAL]

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\CONSENT AGENDA\CONSENT 03-26-08.DOC

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: MARCH 21, 2008

**AGENDA ITEM
 D-1
 MARCH 26, 2008**

HAND WRITTEN CHECKS

03-19-08 19728 GREAT WESTERN ALARM 3,506.65
 03-19-08 19729 SLO COUNTY CLERK-RECORDER 109.00

**TOTAL COMPUTER
 CHECKS
 \$ 189,949.79**

VOID
 14768

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
14777	03/21/08	EMP01	EMPLOYMENT DEVELOP DEPT	912.22	.00	912.22	A80317	STATE INCOME TAX
14778	03/21/08	MID01	MIDSTATE BANK-PR TAX DEP	3319.39	.00	3319.39	A80317	FEDERAL INCOME TAX
				803.54	.00	803.54	1A80317	MEDICARE (FICA)
			Check Total.....:	4122.93	.00	4122.93		
14779	03/21/08	MID02	MIDSTATE BANK - DIRECT DP	25753.06	.00	25753.06	A80317	NET PAY
14780	03/21/08	PER01	PERS RETIREMENT	8691.65	.00	8691.65	A80317	PERS PAYROLL REMITTANCE
14781	03/21/08	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A80317	WAGE ASSIGNMENT
14782	03/21/08	STA01	STATE STREET GLOBAL	1680.00	.00	1680.00	A80317	457 DEFERRED COMP
014783	03/26/08	ABA01	ABALONE COAST BACTERIOLOG	120.00	.00	120.00	08-424	WATER SAMPLES
				20.00	.00	20.00	08-435	WATER MAIN TEST
				176.00	.00	176.00	08-436	TOWN WWTF LAB
				20.00	.00	20.00	08-445	BL WWTF LAB
				20.00	.00	20.00	08-452	BL WWTF LAB
				20.00	.00	20.00	08-474	BL WWTF LAB
				120.00	.00	120.00	08-475	WATER SAMPLES
				20.00	.00	20.00	08-481	BL WWTF LAB
				176.00	.00	176.00	08-482	TOWN WWTF LAB
				20.00	.00	20.00	08-499	BL WWTF LAB
				20.00	.00	20.00	08-513	BL WWTF LAB
				20.00	.00	20.00	08-523	BL WWTF LAB
				120.00	.00	120.00	08-533	TOWN WATER SAMPLES
				20.00	.00	20.00	08-534	BL WWTF LAB
				20.00	.00	20.00	08-545	BL WWTF LAB
				20.00	.00	20.00	08-546	WATER MAIN
				176.00	.00	176.00	08-547	TOWN WWTF LAB
				20.00	.00	20.00	08-559	BL WWTF LAB
				20.00	.00	20.00	08-563	BL WWTF LAB
			Check Total.....:	1148.00	.00	1148.00		
014784	03/26/08	AIR01	AIR POLLUTION CONTROL	1822.07	.00	1822.07	031408	PERMIT RENEWAL FEES
014785	03/26/08	AME03	AMERI PRIDE	106.50	.00	106.50	F427185	UNIFORMS ETC
				101.08	.00	101.08	F432930	UNIFORMS ETC
			Check Total.....:	207.58	.00	207.58		
014786	03/26/08	BOG01	BOGNUDA, LISA	10.00	.00	10.00	031308	PER DIEM
				19.70	.00	19.70	A80321	SUPPLIES
			Check Total.....:	29.70	.00	29.70		
014787	03/26/08	BOY01	BOYLE ENGINEERING CORP	6000.00	.00	6000.00	052588	PROJECT INFORMATION
				898.70	.00	898.70	052778	BL RECORD DRAWINGS
				4035.15	.00	4035.15	053548	REPLACEMENT STUDY
				1020.60	.00	1020.60	053619	SOUTHLAND WWTF
				24116.40	.00	24116.40	053621	WATERLINE INTERTIE PROJEC
				405.00	.00	405.00	053622	PROP 50/84 COORDINATION
				218.70	.00	218.70	053694	PCI CO 06-0117
				340.20	.00	340.20	053695	PCI-TRACT 2634
				302.40	.00	302.40	053697	PCI-CO 04-0190
			Check Total.....:	37337.15	.00	37337.15		
014788	03/26/08	BRE02	BRENNTAG PACIFIC INC.	683.28	.00	683.28	BPI770827	CHLORINE
				317.32	.00	317.32	BPI770828	CHLORINE
			Check Total.....:	1000.60	.00	1000.60		
014789	03/26/08	BUE01	BUEL, BRUCE	98.86	.00	98.86	021208	REIMB FOR WATER CONSERVAT
				396.99	.00	396.99	030708	TRAVEL TO WASHINGTON
			Check Total.....:	495.85	.00	495.85		
014790	03/26/08	CAL03	CALIFORNIA ELECTRIC SUPPL	16.51	.00	16.51	723970	SUPPLIES

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS MARCH 21, 2008**

**AGENDA ITEM
D-1
MARCH 26, 2008
PAGE THREE**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
014817	03/26/08	RIC01	RICHARDS, WATSON, GERSHON	20057.50	.00	20057.50	157545	WATER RIGHTS ADJUDICATION
014818	03/26/08	SAI01	SAIC	11068.27 15055.55 4935.00	.00 .00 .00	11068.27 15055.55 4935.00	593502 910017 922821	NMMA TECH GROUP MEETINGS CONSULTING HYDROLOGIC MONITORING PRO
			Check Total.....:	31058.82	.00	31058.82		
014819	03/26/08	SAN09	SAN LUIS MAILING SERVICE	218.50 931.01	.00 .00	218.50 931.01	32807A 32807B	MAILING BILLS POSTAGE FOR BILLS 4,5,7,1
			Check Total.....:	1149.51	.00	1149.51		
014820	03/26/08	SEV01	SEVCIK, PETER	944.73	.00	944.73	031408	TRAVEL TO TRAINING
014821	03/26/08	SHI01	SHIPSEY & SEITZ, INC	10234.25	.00	10234.25	021508	LEGAL SERVICES
014822	03/26/08	SLO02	DIV OF ENVIRON HEALTH	802.98	.00	802.98	57535	CROSS CONNECTION INSPECTI
014823	03/26/08	SLO07	SLO CSDA CHAPTER	220.00	.00	220.00	040908	ETHICS TRAINING
014824	03/26/08	SOU03	SOUTH COUNTY SANITARY	121.49	.00	121.49	MARCH 08	SOLID WASTE LIENS 092-351
014825	03/26/08	SPE01	SPECIAL DISTRICT RISK	605.66 6155.00	.00 .00	605.66 6155.00	24767 24971	INSURANCE WORKERS COMP 4TH QTR PREM
			Check Total.....:	6760.66	.00	6760.66		
014826	03/26/08	STA03	STATEWIDE SAFETY & SIGNS	78.72 33.79	.00 .00	78.72 33.79	60347A 60347B	SUPPLIES FOR TRUCK 2007 SIGN FOR BLDG
			Check Total.....:	112.51	.00	112.51		
014827	03/26/08	STR03	STRADLING YOCCA CARLSON	1750.00	.00	1750.00	031008	PREP OF ANNUAL DISCLOSURE
014828	03/26/08	TAF01	TAFT ELECTRIC	1013.89	.00	1013.89	30382D	LFT STN REPAIR
014829	03/26/08	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	032608	REG BD MEETING 032608
014830	03/26/08	USA01	USA BLUEBOOK	1348.80	.00	1348.80	547568	FLOAT SWITCH WOODGREEN L/
014831	03/26/08	VIC01	VICTOR BACKHOE, INC.	1951.76 1220.96	.00 .00	1951.76 1220.96	2243 2250	HYDRANT REPLACEMENT HYDRANT REPLACEMENT
			Check Total.....:	3172.72	.00	3172.72		
014832	03/26/08	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	032608	REG BD MEETING 032608
014833	03/26/08	WAL01	WALLACE GROUP	1585.89	.00	1585.89	24823	MILLER PARK
014834	03/26/08	WAT03	WATER ENVIRONMENT FEDERAT	182.00	.00	182.00	032008	MEMBERSHIP & SUBSCRIPTION
014835	03/26/08	WIN01	WINN, MICHAEL	100.00	.00	100.00	032608	REG BD MEETING 032608

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS MARCH 21, 2008**

**AGENDA ITEM
D-1
MARCH 26, 2008
PAGE TWO**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
014791	03/26/08	CAN02	CANNON ASSOCIATES	1856.20 2825.00 552.50 97.50	.00 .00 .00 .00	1856.20 2825.00 552.50 97.50	43411 43412 43462 43463	WATERLINE RELOCATIONS WATERLINE RELOCATIONS TOWN WWTP MAINT BL WELL#3 MAINT
014791	03/26/08	CAN02	CANNON ASSOCIATES	97.50	.00	97.50	43464	BL WELL #4 MAINT
			Check Total.....:	5428.70	.00	5428.70		
014792	03/26/08	CLE06	CLEVER DUCKS	300.00	.00	300.00	5129	MONTHLY COMPUTER SUPPORT
014793	03/26/08	CUE01	CUESTA INDUSTRIAL SUPPLY	34.30 39.86 22.24 23.76	.00 .00 .00 .00	34.30 39.86 22.24 23.76	167873 167929 19210B 342677	SUPPLIES SUPPLIES LIFT STN SUPPLIES SUPPLIES
			Check Total.....:	120.16	.00	120.16		
014794	03/26/08	CWE01	CWEA SSO-WDR WORKSHOP	81.00	.00	81.00	MIGLIAZZO	RENEW GRADE 4 CERT
014795	03/26/08	DWI01	DWIGHT'S AUTOMOTIVE	10.00	.00	10.00	500979	TIRE REPAIR
014796	03/26/08	EBY01	EBY, ED	100.00	.00	100.00	032608	REG BD MEETING 032608
014797	03/26/08	ELE01	ELECTRONIC PRTS SUPERMART	5.80	.00	5.80	23848	SUPPLIES
014798	03/26/08	FAR01	FARM SUPPLY COMPANY	152.71	.00	152.71	595595+	SUPPLIES
014799	03/26/08	FGL01	FGL ENVIRONMENTAL	212.00 81.00	.00 .00	212.00 81.00	802143A 802145A	TOWN WWTF LAB BL WWTF LAB
			Check Total.....:	293.00	.00	293.00		
014800	03/26/08	FUG01	FUGRO WEST, INC.	6357.09	.00	6357.09	3596.8	SOUTHLAND WWTF DISCHARGE
014801	03/26/08	GAR01	GARING TAYLOR & ASSOC	67.50 1190.00	.00 .00	67.50 1190.00	8552 8554	PCI-MARIA VISTA WIDOW LANE EASEMENT
			Check Total.....:	1257.50	.00	1257.50		
014802	03/26/08	GAS02	GAS COMPANY, THE	346.13	.00	346.13	030308	GAS ENGINE 08619205712
014803	03/26/08	GRO01	GROENIGER & CO	2911.39 515.47	.00 .00	2911.39 515.47	781072SM 782894SM	SUPPLIES SUPPLIES
			Check Total.....:	3426.86	.00	3426.86		
014804	03/26/08	GRO02	GROUND UP, INC.	255.00	.00	255.00	254	BL POND LINER INSPECTION
014805	03/26/08	HAR02	HARRISON, JAMES	100.00	.00	100.00	032608	REG BD MEETING 032608
014806	03/26/08	HER01	HERCULES INDUSTRIES, INC.	208.03	.00	208.03	54212	LOCKS
014807	03/26/08	IND01	INDUSTRIAL MEDICAL GROUP	70.00	.00	70.00	GRITI000	DMV EXAM
014808	03/26/08	MAR02	MARLOWE & COMPANY	4500.00	.00	4500.00	08-268-03	SERVICES FOR FEBRUARY
014809	03/26/08	MOR02	MORE OFFICE SOLUTIONS	381.03	.00	381.03	409352	COPIER MAINT
014810	03/26/08	NEW03	NEW IMAGE TECHNOLOGIES	500.00	.00	500.00	20081913	WEBSITE UPDATES
014811	03/26/08	NIP01	NIPOMO ACE HARDWARE INC	51.02 36.26 68.33 10.59 56.13 37.57	.00 .00 .00 .00 .00 .00	51.02 36.26 68.33 10.59 56.13 37.57	022906A 022908B 022908C 022908D 022908E 022908F	SUPPLIES CONSERVATION SUPPLIES SUPPLIES OFFICE SUPPLIES TS SUPPLIES SUPPLIES BLS
014811	03/26/08	NIP01	NIPOMO ACE HARDWARE INC	9.11	.00	9.11	022908G	SHOP UPGRADE SUPPLIES
			Check Total.....:	269.01	.00	269.01		
014812	03/26/08	NIP08	NIPOMO CSD	573.38	.00	573.38	031008	LANDSCAPE MAINT TR 2409
014813	03/26/08	NOR03	NORTH CENTRAL LABORATORIE	109.69	.00	109.69	232464	SUPPLIES
014814	03/26/08	NUT01	NU TECH PEST MGMT	265.00 49.00	.00 .00	265.00 49.00	66432 66433	PEST CONTROL PEST CONTROL
			Check Total.....:	314.00	.00	314.00		
014815	03/26/08	ONE01	1-800-CONFERENCE	316.75	.00	316.75	559166	CONFERENCE CALLS
014816	03/26/08	REL01	RELIABLE	290.88	.00	290.88	FY007800	OFFICE SUPPLIES

NIPOMO COMMUNITY SERVICES DISTRICT

D2

Celebrating 43 - Years of Service 1965 - 2008

MINUTES

MARCH 12, 2008 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

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

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASSIST. GENERAL MANAGER**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
PETER SEVCIK, **DISTRICT ENGINEER**

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.

00:00:43

B. ROLL CALL

At Roll Call, all Board members were present.

00:01:07

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) COMMANDER BRIAN HASCALL OF SLO COUNTY SHERIFF'S OFFICE

Commander Brian Hascall of the San Luis Obispo County Sheriff's Office gave an update regarding the activities of the Nipomo Mesa Sheriff's Department.

He informed the Board and public that residential and commercial burglaries are the greatest problem that is happening in Nipomo now. He asked that the public report anything unusual in the neighborhood. Stay alert and try to get a license plate number.

The Board thanked him for his report.

C-2) BATTALION CHIEF BILL FISHER OF CAL FIRE

Battalion Chief Bill Fisher of Cal Fire gave an update on the Cal Fire activities on the Nipomo Mesa. There were 73 total calls (4 fire, 12, vehicle, 52 medical, and 5 other) at the Nipomo Station 20. There were 47 total calls (7 fires, 4 vehicle accidents, 20 medical and 16 other) at the Mesa Station 22.

The Board thanked him for his report.

C-3) TOM MARTIN OF SOUTH COUNTY SANITARY

Presentation re Extension of Solid Waste Franchise Agreement

Tom Martin, Manager of the South County Sanitary, gave an update on the negotiations with the other agencies in the County to have a 15-year contract.

The Board talked with Mr. Martin about the possible contract.

C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Receive Announcements from Directors Items of District & Community Interest

Director Vierheilig announced that the Orchid Show held over the past weekend was successful and thanked all those who attended.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST (continued)

Director Eby stated that the SCAC (South County Advisory Council) will be holding elections Monday, March 17, 08 in the NCS D Board room from 11:00 a.m. to 8:00 p.m.

Save the Mesa will be hold a candidates' forum for the SLO County Board of Supervisors position April 5, 2008, 1:30 p.m. The candidates to be featured will be Hill and Lenthall.

Director Trotter introduced George Billinger who is stepping down from the position of President of the Blacklake Management Association. Mr. Billinger introduced Nancy Fleming who will be the new president.

Director Eby stated that at the March 5th Water Resources Advisory Council meeting, the revised Draft EIR for the Santa Margarita Ranch was reviewed. WRAC members sent fifteen comments on the draft EIR.

Director Winn stated that the deadline for comments to WRAC on the Santa Margarita Ranch issue is Friday, March 28, 2008. The next WRAC meeting will be April 2, 2008, in San Luis Obispo.

Friday, April 4, 2008, 9:00 a.m. in Santa Clara - motions to be made and discussions reporting the judge's decision.

Bruce Buel, General Manager – announced that the Open House for the Operations Center at 509 Southland will be held Wednesday, March 19, 2008 from 4 to 6 p.m. The District Engineer and Utility Superintendent will be introduced.

C-5) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Bill Petrick, NCS D resident – stated that the NCS D Board is failing in representing the community. He asked for the resignation of Mr. Buel, General Manager, because of mismanagement and actions exceeding his authority and Mr. Seitz, District Legal Counsel, for failure to adequately advise the Board for its legal actions. If the Blacklake water system had been properly maintained so that it had not faiedl, there would not be the equity surcharge issue.

Analise These, Nipomo resident – stated that she is frustrated and angry with communication with Mr. Buel. She asked for the Board to look into the matter.

Holger Andersen, Nipomo resident – stated that Bruce Buel misrepresented the community with denying that there have been negotiations or intention to buy the property on Mesa Road.

00:32:00

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of 2/27/08 Meeting

D-3) AGREE TO CONDUCT SPECIAL MEETING RE OAKGLEN PLAN AND TENTATIVE SET DATE/TIME

D-4) ADOPT RESOLUTION RATIFYING ADOPTION OF WATER CONSERVATION PROGRAM

D-5) NOTICE OF COURT HEARING AND PROPOSED JUDGMENT (DEGROOT)

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

D. CONSENT AGENDA (continued)

Bruce Buel, General Manager, stated that Director Winn had submitted some edits to the Minutes for the February 27th meeting. The edits were placed on the back table. There were no further comments on the Minutes.

Director Eby stated he had a question about Item D-3.

Director Harrison asked to pull Item D-4 for separate consideration.

Director Vierheilig had questions about Item D-5. On Page 3 1(b) of the Judgment, why is there is no amount specified?

Jon Seitz, District Legal Counsel, answered that Rural Water did not want an amount specified because they set their own rates.

Director Eby asked how the Special Meeting of the Oakglen Specific Plan would be conducted. Mr. Buel answered that it would be a joint meeting with NCSD presiding and members from San Luis Obispo County Planning Department and members from South County Advisory Council in attendance.

Upon motion by Director Eby and seconded by Director Harrison, the Board unanimously adopted the Consent Agenda Items D-1, D-2, D-3, and D-5, as amended. Vote 5-0.

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

D-4

Bruce Buel, General Manager, explained that the Board adopted the Water Conservation as amended at the February 13, 2008 Board meeting. The proposed resolution is a formality to serve as proof of the adoption of the Water Conservation Program.

Director Harrison suggested that the core and non-core measures mentioned be listed or referenced. He also asked about other items in the Program.

Celeste Whitlow, Water Conservation Specialist, answered questions from the Board. She explained that the program is a living document subject to review and revisions.

The following member of the public spoke:

Bill Petrick, NCSD resident – stated that pages 16-19 of the Water Conservation Program used selected facts for scare tactics and with no validated proof.

Upon motion by Director Trotter and seconded by Director Eby, the Board adopted Resolution 2008-1069 adopting the Water Conservation Program, as edited. Vote 4-1 with Director Harrison voting no.

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

**RESOLUTION NO. 2008-1069
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING A WATER CONSERVATION PROGRAM**

The Board took a break at 10:16 a.m. and returned at 10:28 a.m.

MINUTES SUBJECT TO BOARD APPROVAL

E. ADMINISTRATIVE ITEMS

00:33:03

E-1) REVIEW/EDIT DRAFT ORDINANCE MERGING TOWN WATER SYSTEM WITH BLACKLAKE WATER SYSTEM AND SET SCHEDULE

Bruce Buel, General Manager, reviewed the slide presentation explaining the proposed ordinance merging Town water system with Blacklake water system.

Director Trotter asked to remove Summit Station and Lyn Road portions of the distribution system because the assets do not benefit Blacklake. It was discussed that those areas also do not benefit other housing developments, such as Thompson Road Estates, homes on Camino Caballo, etc. but that the assets are a part of the whole Town Division.

The following members of the public spoke:

Pat Eby, NCS D customer and Blacklake resident – stated that the rate schedule adopted June 8, 2005 has been illegal since the second intertie was installed at Blacklake in 2006 and the Blacklake water system was abandoned. She read the following quote from California State law, specifically Section 6 of the law passed under Proposition 218:

"(b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements: ...

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted."

"CA Water Code §71614: A district may fix the rates at which water shall be sold. Different rates may be established for different classes or conditions of service, but rates shall be uniform throughout the district for like classes and conditions of service."

Mrs. Eby further stated that since the connection of the intertie and implementation of the Town system at Blacklake, Blacklake customers receive identical water service as Town customers, and uniform rates must apply. She asked for a credit to Blacklake customers for the water used since implementation.

She stated: "Any Board member who knowingly votes for an illegal ordinance can be held personally liable for that action. Such a lawsuit could be a personal lawsuit and would not necessarily be a lawsuit against NCS D. As such, the liability insurance covering elected Board members will very likely not apply and the Board member could be required to foot his own legal bills and pay any damages awarded by the court. If this Board proceeds to approve the draft Ordinance in Item E-1 on the published agenda for March 12, 2008, I will do whatever is in my power to seek proper redress."

Bill Petrick, representative of the Blacklake Management Association – stated that when the Board sub-committee met with the representatives of the BLMA, the option proposed in the ordinance was not discussed. He stated that this is a way to avoid a Prop 218 protest. He advised the Board about possible personal risk by approving the ordinance. He stated that there has been no public testimony in favor of the surcharge. He requested that the Board kill the ordinance and any surcharge.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

E-1) REVIEW/EDIT DRAFT ORDINANCE MERGING TOWN WATER SYSTEM WITH BLACKLAKE WATER SYSTEM AND SET SCHEDULE (continued)

The Board discussed the proposed ordinance. The Board asked about the lawsuit allegations, the appropriateness of the surcharge, if a differential is used, what effect it would have on the resident and the funded replacement fund. The Board discussed revenue-generated per connection rates with different scenarios, such as:

- Reed Report recommendation,
- Reed Report, excluding the Tefft Street monies,
- Reed Report, excluding Tefft Street, Summit Station and Lyn Road, or
- New option of revenue-generated rates - Director Vierheilg's proposal to use the differential in FY 05-06 contributions per meter.

The subcommittee agreed to meet with the Blacklake committee before April 9th, if the Blacklake committee desired another meeting.

Director Vierheilg made a motion and Director Trotter seconded the motion to take the calculations reviewed today, edit the ordinance, to look at the options discussed (listed above) at today's meeting and present a report with draft language for the ordinance to be presented on April 9, 2008. Director Vierheilg withdrew his motion and made a motion to put the ordinance on hold today. That motion died for lack of a second.

Director Harrison made a motion to adopt the ordinance and bring it back for first reading and adoption April 9, 2008. The motion died for lack of a second.

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board agreed to bring the numbers with options and a draft ordinance but not for a first reading of the ordinance back to the April 9, 2008 Board meeting. Vote 5-0.

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

01:30:32

E-2) AUTHORIZE SUBMITTAL OF REQUEST TO SLO COUNTY TO TRANSFER PROPERTY LOCATED AT NE CORNER OF TEFFT AND CARRILLO (COMMONLY KNOWN AS MILLER PARK) AND TO NEGOTIATE MEMORANDUM OF UNDERSTANDING

Bruce Buel, General Manager, reviewed the Board letter recommending submittal of a request to San Luis Obispo County to transfer the property located at the northeast corner of Tefft and Carrillo Street.

The following members of the public spoke:

Jim Tefft, Nipomo resident – stated his support for staff's recommendation and would like NCSD to continue planning efforts in parallel with the County.

Peg Miller, NCSD resident – stated that many years ago her late husband, Jim Miller, offered to put up the park and maintain it. She supports the District moving with haste.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

- E-2) AUTHORIZE SUBMITTAL OF REQUEST TO SLO COUNTY TO TRANSFER PROPERTY LOCATED AT NE CORNER OF TEFFT AND CARRILLO (COMMONLY KNOWN AS MILLER PARK) AND TO NEGOTIATE MEMORANDUM OF UNDERSTANDING (continued)

The Board discussed the issue. The District cannot move in parallel until the County approves the property negotiations. Director Eby stated his reservation with using property taxes for the park until the District finds the money for the supplemental water.

Upon motion by Director Harrison and seconded by Director Vierheilig, the Board unanimously approved staff's recommendation to authorize the submittal of a formal request to SLO County to transfer the property and to negotiate a Memorandum of Understanding so that the responsibilities of the two parties are clearly delineated. Vote 5-0.

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

01:40:44

- E-3) CONSIDER ADOPTION OF RESOLUTION SUSPENDING PROCESSING OF INTENT-TO-SERVE LETTERS UNTIL JUNE 11, 2008

Jon Seitz, District Legal Counsel, reviewed the events leading to the proposition of the suspension of Intent-to-Serve letters. The Board was concerned with the volume of groundwater in storage. SAIC will monitor the volume of groundwater underlying the Nipomo Mesa Management Area in the spring.

The Board discussed the proposed resolution.

The following member of the public spoke:

Bill Petrick, NCSD resident – stated that the letter from Mr. Seitz assumes the information from SAIC is factual. Mr. Petrick stated that the Papadopoulos Report and the DWR Report are wrong. Negotiations made in private may be violating the Brown Act. He also stated that Mr. Seitz report says the delivery date for a supplemental water supply is targeted for March, 2011. He stated that the facts are that groundwater in storage is 87,500 acre feet. Since 2001, the level has been above the average value and does not look like a steady decline. The health of the aquifer is up to the Technical Group, not NCSD.

Director Winn stated that all contracts are negotiated out of the public eye and that process is provided for in the Brown Act. After contracts have been successfully negotiated they are reported out to the public before final adoption.

Mr. Seitz answered concerning his report. The District received SAIC reports and the Papadopoulos Report. The County has adopted a Severity Level III. The Papadopoulos Report was a study and analysis of the DWR report; and it states that the DWR supports a finding of an overdraft. The recharge is less than the beneficial use of the water. Based on that report, the County, through John Hand, did an independent study The County Resource Capacity Study for the ground basin. The study came up with similar numbers to the Papadopoulos Report. The limiting of Intent-to-Serve letters is only in the District, not Mesa-wide.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
MINUTES

E-3) CONSIDER ADOPTION OF RESOLUTION SUSPENDING PROCESSING OF INTENT-TO-SERVE LETTERS UNTIL JUNE 11, 2008 (continued)

Director Eby stated that he supports the resolution. He gave the Board a report showing the precipitation probability for the month of March. It shows there is a 50% chance that our precipitation will be less than normal in March and possibly April. Director Vierheilig stated that adopting this resolution is exercising caution for a relatively short period of time. Director Harrison disagrees with other directors that the groundwater level is critical. He stated that we are not in a declining state of storage of water. This is a premature action, and we should wait until the report is received.

Upon motion by Director Eby and seconded by Director Trotter, the Board adopted Resolution 1070 suspending applications for Intent-to-Serve letters until July 1, 2008. Vote 4-1 with Director Harrison voting no.

RESOLUTION NO. 2008-1070
AN RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
SUSPENDING APPLICATIONS FOR
INTENT-TO-SERVE LETTERS FOR WATER SERVICE

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

The Board went to Closed Session next.

02:15:38

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)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:11 p.m. Director Trotter left the meeting.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Jon Seitz, District Legal Counsel, announced out of Closed Session. He reported that the Board heard an update on the items listed above. There was no reportable action.

02:17:46

E-4) AUTHORIZE SUBMITTAL OF COMMENTS TO SLO COUNTY REGARDING AFFORDABLE HOUSING ORDINANCES REVISED DRAFT EIR

Jon Seitz, District Legal Counsel, discussed the Draft EIR for Affordable Housing. CEQA, being an informational document, assumes that a project shows: 1) there is no impact, 2) there is significant impact but it can be mitigated, and 3) significant impact that cannot be mitigated.

The Board discussed some revisions needed in the draft EIR including the following listed in the Board letter:

1. A description of the Level of Severity III for NMWCA for water supply certified by the Board of Supervisors.
2. A description of the Limitations imposed by SLO County Ordinance 3090;
3. An assessment of the increased water demand and sewer flow resulting from implementation of each of the ordinances
4. An assessment of the water supply alternatives available to satisfy that increased demand;
5. An assessment of the feasibility of mitigations to reduce impacts to levels of less than significant;
6. Specific proposals to revise the draft ordinances to ensure that increased densities will not occur in planning areas with Levels of Severity II or III until adequate water is available to reduce those Levels of Severity below level II.

E-4) AUTHORIZE SUBMITTAL OF COMMENTS TO SLO COUNTY REGARDING AFFORDABLE HOUSING ORDINANCES REVISED DRAFT EIR (continued)

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board authorized staff to submit a comment letter regarding all agreed upon comments. Vote 4-0.

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

02:57:42

F. MANAGER'S REPORT

Bruce Buel, General Manager,
Jon Seitz, District Legal Counsel, will be teaching a class for the San Luis Obispo Chapter of the California Special District's Association regarding Ethics Training.
Chamber Breakfast meeting March 25, 2008, 7:30 a.m. Mike Winn will be the featured speaker.
RWQCB comments will be brought to next meeting.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
MINUTES

03:10:36

G. COMMITTEE REPORTS

- 1. Feb 25, 2008 Supplemental Water Project Committee Meeting
- 2. March 3, 2008 Finance & Audit Committee Meeting

The Committee Reports stand as written.

Members of the Finance Committee will have a phone conference March 20, 2008, to discuss employee benefits. The committee will meet again on April 10, 2008, 9:00 a.m.

The Supplemental Water Project Committee.

03:12:11

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn stated he would like a letter to SLO Planning and SLO Public Health concerning residential wells/potable wells and also to make sure there is a backflow device. Staff agreed to bring this item back to the Board on April 9, 2008

He would like staff to communicate with SLO County Planning staff before the Intent-to-Serve suspension is in effect. He would like a report on the amount of water consumed by the Nipomo Regional Park. He would like a copy of the Cachuma report.

ADJOURN

President Winn adjourned the meeting at 2:00 pm.

➤ THE NEXT REGULAR BOARD MEETING IS MARCH 26, 2008.

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Revise Standard Specifications
- On-Site Waste Management Regulations

MINUTES SUBJECT TO BOARD APPROVAL

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 21, 2008

**AGENDA ITEM
D-3
MAR 26, 2008**

SOUTH COUNTY SANITARY AGREEMENT NEGOTIATION

ITEM

Authorize negotiations with South County Sanitary Service for extending Solid Waste Franchise Agreement Term [RECOMMEND ADOPTION].

BACKGROUND

Tom Martin of South County Sanitary Service (SCSS) has sent NCSD a letter (attached) and made a presentation to your Board regarding his proposal to extend the term of the existing franchise agreement for 15 years. In return, Tom Martin has indicated that SCSS would reduce his profit margin by 1%; place limits on future rate increases and provide \$5,000 per year for remediation of problems. This proposal is similar to the deal under negotiation with the other agencies in SLO County served by SCSS's parent company.

It should be noted that the District Code currently sets the maximum term at 10 years. Extension of this term would need to be preceded by an amendment to the District Code.

RECOMMENDATION

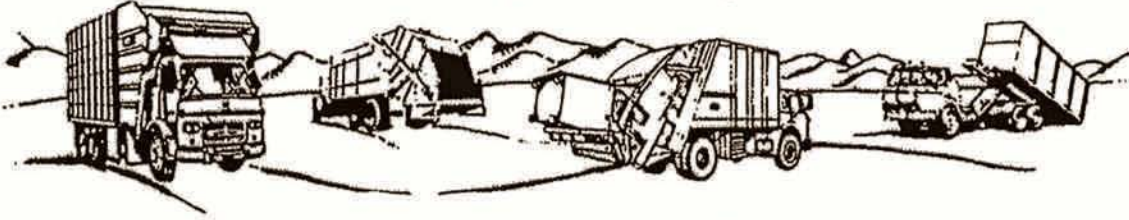
Staff recommends that your Honorable Board authorize staff to negotiate a 15 year extension of the Franchise Agreement for subsequent Board Consideration. Staff also requests authority to introduce an ordinance amending the District Code.

ATTACHMENTS

- SCSS Letter

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\SolidWasteFranchiseNeg.DOC

South County Sanitary Service



866 West Grand Avenue • Grover Beach, CA 93433
805-489-4246 • 805-489-3534 • 805-489-2104

Nipomo CSD
Bruce Buel
148 South Wilson
Nipomo, CA 93444

February 20, 2008

Dear Bruce,

The franchise agreement between South County Sanitary Service and Nipomo CSD expires in June of 2008. Given that lawyers are involved, we need to get started. There are two significant changes coming that will effect our new agreement.

The first one is the Cold Canyon Landfill expansion. We are down to roughly two and half year's worth of capacity. The expansion project has been filed with the County of San Luis Obispo and the EIR is being prepared. The expansion will provide 30 years of future disposal capacity, an elevated C&D recycling line and an improved public recycling area. We are estimating it will require us to spend a minimum of \$9,000,000 plus county required mitigations. As before, Cold Canyon must borrow the funds and the Bank of America wants proof they will be paid back. They want to see long-term franchises from Cold Canyon's customers so the tonnage is committed.

The second change is the Air Pollution Control District's push to reduce emissions. Our changeover to CNG garbage trucks should provide a large part of the reductions that APCD will set as the goal for Nipomo CSD. We have started this replacement project. However, given the number of remaining diesel trucks and the cost of a CNG truck it will take many years.

The biggest concern for a garbage company is recovering the cost of the various advance expenditures. The longer term we have for recovery, the less impact it has on rate changes. San Luis Garbage has a 15 year franchise agreement with the City of San Luis Obispo. Mission Country Disposal has a 15 year franchise agreement with the Cayucos Sanitary District. I would like to meet with you to discuss a 15 year franchise. That will help keep Nipomo CSD's and South County Sanitary Service's costs to a minimum for the long term. We have requested the same length of term from Arroyo Grande, Pismo Beach, Grover Beach, and Oceano CSD.

Tom Martin, General Manager

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: MARCH 21, 2008

**AGENDA ITEM
D-4
MARCH 26, 2008**

**APPROVE 3.22% COST OF LIVING ADJUSTMENT (COLA) FOR DISTRICT
EMPLOYEES EFFECTIVE JULY 1, 2008**

ITEM

Approve 3.22% Cost of Living Adjustment (COLA) for District employees effective July 1, 2008
[RECOMMEND ADOPTION].

BACKGROUND

The NCSD Personnel Policies & Procedures Manual, Section 3030(4) states the following:

Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the step plan will be adjusted accordingly, thus keeping the plan current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to Section 3030(2) in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved Cost of Living Adjustments.

On December 13, 2006, the Board of Directors approved Resolution 2006-1000 which included:

Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).

Staff had computed the average of annual increase for the Consumer Price Index of Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose to be 3.220%.

Pursuant to the Personnel Policies and Procedures Manual, the Board of Directors may consider a Cost of Living Adjustment. The approval of Resolution 2006-1000 provides for consistency in computing the COLA from year to year. The Board of Directors may consider a COLA for the employees up to a maximum of 3.220% for 2008-2009 fiscal year.

On March 3, 2008, the Finance and Audit Committee reviewed the proposed Cost of Living Adjustment for District employees effective July 1, 2008.

RECOMMENDATION

The Finance and Audit Committee recommends the Board of Directors approve the 3.22% Cost of Living Adjustment for District Employees effective July 1, 2008.

ATTACHMENTS

- Section 3030(4) from NCSD Personnel Policies and Procedures
- Resolution 2006-1000
- Excerpt from Bureau of Labor Statistics on how to compute the CPI
- Consumer Price Index information and computation

4. Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the step plan will be adjusted accordingly, thus keeping the plan current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to Section 3030(2) in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved Cost of Living Adjustments.
5. Promotion - Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay, provided, however, the increase may exceed five percent at the discretion of the General Manager, and that such increase shall not exceed the top step of the range allocated to the new classification. Such action shall require the General Manager to establish a new anniversary date in accordance with the following criteria:
 - A. For employees who are promoted to a permanent position and placed at the first step of the salary range, the anniversary date shall be the date following the completion of 12 months of service at such step.
 - B. For employees who are promoted to a permanent position and placed at a step other than the first step, the anniversary date shall be the day following the completion of 12 months of service at such step.
6. Incentive Pay - For Utility Operators who successfully achieve Water or Wastewater Grade certificates over and above those required for the position while employed with the District will be entitled to receive a one time incentive pay of \$500.00 for each certificate obtained.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-1000

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE MONTHLY SALARY SCHEDULE, PROPOSED SALARY
RANGE PLACEMENT, AND CPI INDEX

WHEREAS, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

WHEREAS, the Nipomo Community Services District contracted with a Koff & Associates, Inc. to perform a professional Salary and Benefits Survey; and

WHEREAS, the Board of Directors accepted and filed the final report titled "Total Compensation Study for the Nipomo Community Services District" on December 13, 2006; and

WHEREAS, Koff & Associates, Inc. recommended a new Monthly Salary Schedule and proposed Salary Range Placement in the report; and

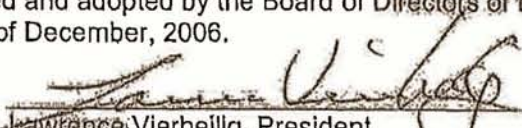
NOW, THEREFORE, the Board of Directors of the Nipomo Community Services District does hereby resolve, declare, determine and order as follows:

1. Adopt the Monthly Salary Schedule (Exhibit "A")
2. Adopt the Proposed Salary Range Placement (Exhibit "B")
3. Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).
4. Authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly approved monthly salary schedule


On the motion of Director Trotter, seconded by Director Harrison, and on the following roll call vote, to wit:

AYES: Director Trotter, Harrison, Eby, Winn and Vierheilig
NOES: None
ABSENT: None

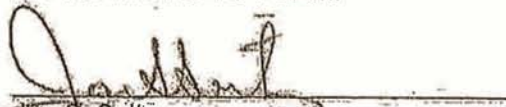
The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Nipomo Community Services District this 13th day of December, 2006.


Lawrence Vierheilig, President
Nipomo Community Services District

ATTEST:


Donna K. Johnson
Secretary to the Board

APPROVED AS TO FORM:


Jon S. Seitz
General Counsel

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The CPI and escalation: Some points to consider

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 87 percent of the total U.S. population and is based on the expenditures of *all* families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income has to be earned from clerical or hourly-wage occupations. The CPI-W represents about 32 percent of the total U.S. population.

There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes for goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLA's). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements.

The 26 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors. Metropolitan area and other sub-components of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS strongly recommends that users adopt the U.S. City Average CPI for use in escalator clauses.

The U.S. City Average CPI's are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in weather patterns, model change-overs, holidays, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually. Also, seasonally adjusted data that have been published earlier are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate.

Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent time period. This is calculated by first determining the index point change between the two periods and then the percent change. The following example illustrates the computation of percent change:

CPI for current period	136.0
Less CPI for previous period	129.9
Equals Index point change	6.1
Divided by previous period CPI	129.9
Equals	0.047
Result multiplied by 100	0.047 x 100
Equals percent change	4.7

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.

<http://www.bls.gov/cpi/cpi1998d.htm>



U.S. Department of Labor
Bureau of Labor Statistics

Bureau of Labor Statistics Data

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Change Output Options: From: 1998 To: 2008 GO
 Include graphs NEW!

[More Formatting Options](#) ➔

Data extracted on: February 21, 2008 (4:50:35 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA421SA0														HALF1
Not Seasonally Adjusted														
Area: Los Angeles-Riverside-Orange County, CA														
Item: All items														
Base Period: 1982-84=100														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1
1998	155.1	155.0	155.1	155.6	156.2	156.1	155.9	156.1	156.1	156.8	157.0	157.2	156.0	155.5
1999	157.8	158.1	158.3	160.1	159.7	158.9	159.2	159.8	160.7	160.7	160.6	160.9	159.6	158.8
2000	161.3	162.4	163.9	164.0	164.4	164.3	165.0	165.3	166.3	166.9	166.6	166.7	164.8	163.4
2001	167.3	168.3	169.1	169.6	170.5	171.9	171.3	171.1	171.5	171.0	170.7	169.7	170.2	169.5
2002	171.5	172.8	173.8	174.8	175.4	174.7	175.0	175.6	176.3	176.5	177.0	176.7	175.0	173.8
2003	177.8	179.6	181.6	180.9	179.9	179.6	179.6	180.5	181.9	181.2	180.5	180.2	180.3	179.9
2004	181.7	183.4	184.9	185.2	186.8	187.4	186.8	186.5	187.8	189.8	190.3	188.5	186.6	184.9
2005	188.5	190.3	192.1	194.2	194.6	193.7	194.6	196.4	199.0	200.0	198.4	196.5	194.9	192.2
2006	198.3	199.9	200.8	202.9	205.0	204.2	204.5	205.0	205.3	203.5	203.3	202.9	203.0	201.9
2007	204.498	206.632	208.929	210.195	211.145	209.614	209.444	209.240	209.849	211.259	212.844	212.282	209.661	208.502
2008	213.825													

NIPOMO COMMUNITY SERVICES DISTRICT
CONSUMER PRICE INDEX ADJUSTMENT
PROPOSED FOR JULY 1, 2008

	<u>SF</u>	<u>LA</u>	<u>AVERAGE</u>
CPI for current period	211.370	209.661	
Less CPI for previous period	(204.900)	(203.000)	
Equals index point change	6.470	6.661	
Divide by previous period CPI	204.900	203.000	
Equals	0.0316	0.0328	
Result multiplied by 100	.0316 x 100	.0328 x 100	
	3.160	3.280	3.220

Change Output Options: From: 1997 To: 2007 GO
 Include graphs NEW!

[More Formatting Options](#) ➔

Data extracted on: February 21, 2008 (4:50:13 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA422SA0														HALF1	HALF2
Not Seasonally Adjusted															
Area: San Francisco-Oakland-San Jose, CA															
Item: All items															
Base Period: 1982-84=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1997	154.1	155.0	156.2	156.7	156.8	157.0	157.5	158.1	158.6	159.5	159.5	159.4	157.4	156.0	158.8
1998		159.6		160.8		161.7		162.7		163.4		163.7	161.8	160.5	163.1
1999		165.7		168.8		168.3		170.0		171.2		170.9	168.8	167.2	170.5
2000		172.6		174.9		175.2		177.8		179.3		180.2	176.3	173.9	178.7
2001		183.5		184.9		186.9		186.7		187.5		186.5	185.7	184.5	186.9
2002		186.8		188.8		189.1		189.3		190.0		189.6	188.8	188.0	189.6
2003		193.7		193.6		192.2		192.3		191.9		191.1	192.4	192.9	191.9
2004		194.1		194.7		195.4		195.0		196.4		195.9	195.0	194.4	195.7
2005		197.3		199.3		197.5		199.5		202.6		199.3	199.1	197.9	200.3
2006		202.5		204.9		205.2		206.7		206.2		205.6	204.9	203.7	206.1
2007		208.803		211.189		211.422		211.620		213.133		214.204	211.370	209.986	212.754

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL *BB*
 DATE: MARCH 21, 2008

**AGENDA ITEM
 D-5
 MARCH 26, 2008**

CONSIDER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2007-2008

ITEM

Consider Budget adjustments for fiscal year 2007-2008

BACKGROUND

The Board of Directors adopted the 2007-2008 fiscal year budget on June 20, 2007. On a quarterly basis, Staff presents to the Board of Directors a financial report that includes a comparison of actual expenditures to the budgeted expenditures.

On February 13, 2008, Staff presented the second quarter financial report and noted that some line item expenditures had exceeded the budgeted amounts. Staff stated that budget adjustments would be presented to the Finance and Audit Committee for review. The Finance and Audit Committee reviewed the proposed budget adjustments on March 3, 2008.

Attached for your review is a combined and condensed budget to actual comparison of the budgeted expenditures through December 31, 2007 (50% of the year completed). Underlined are the expenditures that exceed 60% of the budget and should be considered for budget adjustment. It should be noted that some items do exceed 60% and are not presented for budget adjustment due to the nature of the expenditure (i.e. one time expense or item is not expected to be exceeded by June 30, 2008). The table below represents those expenditures underlined that exceed 60% of the budget as of December 31, 2007:

Budget Item	Expense thru 12-31-07	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Operating Supplies	\$81,839	\$87,000	\$5,161	\$40,000	\$127,000
Repairs & Maintenance	\$161,186	\$223,000	\$61,814	\$60,000	\$283,000
Dues & Subscriptions	\$10,603	\$9,900	(\$703)	\$2,500	\$12,400
Education & Training	\$5,529	\$5,500	(\$29)	\$4,000	\$9,500
Professional Services	\$171,860	\$138,000	(\$33,860)	\$100,000	\$238,000
Repairs & Maintenance- Office	\$2,961	\$4,000	\$1,039	\$2,000	\$6,000
Repairs & Maintenance- Building	\$0	\$3,500	\$3,500	\$5,500	\$9,000
TOTAL	\$433,978	\$470,900	\$36,922	\$214,000	\$684,900

Operating Supplies

The Utility Department purchases operating supplies in order to repair and maintain the water and wastewater facilities.

Repairs and Maintenance

Due to the aging of the facilities and more emphasis being placed and repairs and maintenance, on-going repairs and maintenance will continue.

Dues and Subscriptions

While this item is not a large budget item in comparison to other budget items, the annual budget has already been exceeded and additional expenses are expected.

Education and Training

While this item is not a large budget item in comparison to other budget items, the annual budget has already been exceeded additional education and training is planned for staff and directors.

Professional Services

	Expense thru 12-31-07	Annual Budget
Rate Study	\$34,860	\$50,000
Hydrological Monitoring and Emergency Triggers	\$131,084	\$75,000
Strategic Plan Workshop	\$0	\$3,000
Actuarial Services for GASB 45	\$0	\$10,000

Repairs and Maintenance – Office

This budget item is for the monthly maintenance agreements on the copiers that includes toner and a per copy charge. A higher copy charge is billed for color copies and NCS D has significantly increased its volume of color copies.

Repairs and Maintenance – Building

This item has not been exceeded as of December 31, 2007, however, two maintenance items have subsequently been approved by the Board of Directors. This includes the removal of dangerous trees around the building and the purchase and installation of tree grates in the front of the building.

Some expenditures are currently under 50%, however, Staff does not believe it would be prudent at this time to re-allocate these funds to the expenditures that have been exceeded as of December 31, 2007.

The Finance and Audit Committee reviewed the proposed adjustments and made the following recommendations to the Board of Directors:

- Recommend approving the budget adjustments, but include detail by Fund
- Recommend that Staff consider implementing a Purchase Order System.

It is proposed that the budget adjustments be from undesignated operating reserves.

RECOMMENDATION

It is recommended that the Board of Directors approve the attached Resolution amending the 2007-2008 Fiscal Year Budget and direct Staff to consider implementing a Purchase Order System.

ATTACHMENT

- Budget to Actual Summary Report July 1, 2007 to December 31, 2007
- Resolution 2008-budget adjustment

NIPOMO COMMUNITY SERVICES DISTRICT
 BUDGET TO ACTUAL - FUND #110, #120, #130, #140 AND #150
 FOR THE PERIOD ENDING DECEMBER 31, 2007

6 months = 50% of year

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
5010 - Wages	323,113.13	767,975.00	42.07 %
5020 - Wages-Overtime	29,775.46	55,000.00	54.14 %
5100 - Payroll Taxes	7,524.04	14,760.00	50.98 %
5110 - PERS Retirement	83,229.81	212,195.00	39.22 %
5120 - Medical	70,197.87	169,005.00	41.54 %
5130 - Dental/Vision	8,474.97	20,805.00	40.74 %
5140 - Workers Comp Insurance	13,093.13	29,655.00	44.15 %
5210 - Electricity	247,597.38	555,250.00	44.59 %
5220 - Natural Gas	10,729.21	147,750.00	7.26 %
5230 - Chemicals	11,828.68	46,000.00	25.71 %
5240 - Lab Tests	30,132.59	66,000.00	45.66 %
5250 - Operating Supplies	81,838.81	87,000.00	94.07 %
5260 - Outside Services	22,940.31	121,690.00	18.85 %
5270 - Permits & Operating Fees	15,249.95	16,750.00	91.04 % *
5280 - Repairs and Maintenance	161,186.58	223,000.00	72.28 %
5290 - Repairs & Maintenance-Vehicles	4,498.56	21,600.00	20.83 %
5300 - Engineering	23,598.23	48,500.00	48.66 %
5310 - Fuel	14,598.16	36,000.00	40.55 %
5320 - Paging & Cellular Service	2,783.81	6,200.00	44.90 %
5330 - Meters-New Installation	8,524.88	15,000.00	56.83 %
5340 - Meters Replacement Program	14,550.29	22,000.00	66.14 % *
5350 - Uniforms	2,587.40	6,600.00	39.20 %
5600 - Conservation Program (CP)		52,975.00	.00 %
5601 - CP-Printing	3,053.30		.00 %
5602 - CP-Supplies	4,535.32		.00 %
5605 - CP-Postage	725.91		.00 %
5606 - CP-Advertising	2,079.04		.00 %
6010 - Audit	8,000.00	8,000.00	100.00 % *
6020 - Bank Charges and Fees	675.95	1,880.00	35.95 %
6030 - Computer Expense	13,271.50	32,000.00	41.47 %
6050 - Director Fees	9,000.00	24,000.00	37.50 %
6060 - Dues and Subscriptions	10,603.19	9,900.00	107.10 %
6070 - Education and Training	5,529.55	5,500.00	100.54 %
6090 - Insurance-Liability	17,583.51	33,500.00	52.49 %
6100 - Landscape and Janitorial	5,078.00	8,820.00	57.57 %
6105 - LAFCO Funding	15,832.00	17,800.00	88.94 % *
6110 - Legal-General Counsel	53,786.69	104,000.00	51.72 %
6115 - Legal-Special Counsel	1,640.80	30,000.00	5.47 %
6120 - Legal-Water Counsel	32,428.57	100,000.00	32.43 %
6125 - Professional Services	171,860.29	138,000.00	124.54 %
6130 - Miscellaneous	1,377.38	5,700.00	24.16 %
6140 - Newsletters & Mailers		3,060.00	.00 %
6150 - Office Supplies	6,290.80	14,500.00	43.38 %
6160 - Postage	7,182.17	22,690.00	31.65 %
6180 - Repairs and Maintenance-Office	2,961.44	4,000.00	74.04 %
6190 - Repairs and Maintenance-Building		3,500.00	.00 %
6200 - Property Taxes	927.30	830.00	111.72 % *
6210 - Telephone	3,021.87	5,340.00	56.59 %
6220 - Travel and Mileage	4,041.70	10,000.00	40.42 %

Note: If % of budget is greater than 60%, the item has been underlined for review.

* Items are expenditures for fiscal year that are complete or Staff does not expect budget to be exceeded by June 30, 2008.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2008-budget amendment**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE 2007-2008 FISCAL YEAR BUDGET**

WHEREAS, Section 61110 et seq. of the Government Code establishes procedures for the adoption and amendments of budgets for Community Services Districts, including the Nipomo Community District ("District"); and

WHEREAS, pursuant to Government Code Section 61110 et seq. the District elected to adopt a one (1) year budget for Fiscal Year 2007-2008; and

WHEREAS, the District adopted the 2007-2008 Fiscal Year Budget on June 20, 2007; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District, San Luis Obispo County, California, as follows:

1. The proposed budget amendment for 2007-2008 attached as Exhibit "A" is hereby approved and adopted.
2. The budget amendment be administered in accordance with generally accepted accounting principals and the past policies and practices established by the District.
3. The above Recitals are true and correct and incorporated herein by this reference.

Upon motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

the foregoing Resolution is hereby adopted this 26th day of March 2008.

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

EXHIBIT "A"
 RESOLUTION 2008-xxxx
 PROPOSED BUDGET ADJUSTMENT - FISCAL YEAR 2007-2008

TOTALS BY FUND	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Fund #110 - Administration	3,533	16,380	12,847	6,775	23,155
Fund #120 - Town Water	276,669	263,150	(13,519)	148,400	411,550
Fund #130 - Town Sewer	100,470	97,030	(3,440)	39,700	136,730
Fund #140 - BL Water	38,708	64,835	26,127	15,445	80,280
Fund #150 - BL Sewer	14,598	29,505	14,907	3,680	33,185
TOTAL	433,978	470,900	36,922	214,000	684,900

Note: Detail by Category and Fund can be found on Page 2 and 3

EXHIBIT "A"
 RESOLUTION 2008-xxxx
 PROPOSED BUDGET ADJUSTMENT - FISCAL YEAR 2007-2008

DETAIL BY FUND

Operating Supplies	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Budget Amendment	Revised Budget
Fund #110 - Administration	0	0	0	0	0
Fund #120 - Town Water	46,239	40,000	(6,239)	30,000	70,000
Fund #130 - Town Sewer	26,721	26,000	(721)	8,000	34,000
Fund #140 - BL Water	4,798	16,000	11,202	0	16,000
Fund #150 - BL Sewer	4,081	5,000	919	2,000	7,000
	<u>81,839</u>	<u>87,000</u>	<u>5,161</u>	<u>40,000</u>	<u>127,000</u>

Repairs & Maintenance	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Fund #110 - Administration	0	0	0	0	0
Fund #120 - Town Water	89,805	118,000	28,195	30,000	148,000
Fund #130 - Town Sewer	60,406	55,000	(5,406)	30,000	85,000
Fund #140 - BL Water	7,147	32,000	24,853	0	32,000
Fund #150 - BL Sewer	3,828	18,000	14,172	0	18,000
	<u>161,186</u>	<u>223,000</u>	<u>61,814</u>	<u>60,000</u>	<u>283,000</u>

Dues & Subscriptions	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Fund #110 - Administration	1,807	1,455	(352)	375	1,830
Fund #120 - Town Water	5,087	4,850	(237)	1,250	6,100
Fund #130 - Town Sewer	2,163	1,940	(223)	500	2,440
Fund #140 - BL Water	714	680	(34)	175	855
Fund #150 - BL Sewer	832	975	143	200	1,175
	<u>10,603</u>	<u>9,900</u>	<u>(703)</u>	<u>2,500</u>	<u>12,400</u>

EXHIBIT "A"
 RESOLUTION 2008-xxxx
 PROPOSED BUDGET ADJUSTMENT - FISCAL YEAR 2007-2008

DETAIL BY FUND

	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Education & Training					
Fund #110 - Administration	863	825	(38)	600	1,425
Fund #120 - Town Water	2,314	2,750	436	2,000	4,750
Fund #130 - Town Sewer	1,590	1,100	(490)	800	1,900
Fund #140 - BL Water	328	385	57	280	665
Fund #150 - BL Sewer	434	440	6	320	760
	5,529	5,500	(29)	4,000	9,500

	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Professional Services					
Fund #110 - Administration	419	10,000	9,581	0	10,000
Fund #120 - Town Water	131,743	95,550	(36,193)	84,150	179,700
Fund #130 - Town Sewer	8,998	12,190	3,192	0	12,190
Fund #140 - BL Water	25,514	15,490	(10,024)	14,850	30,340
Fund #150 - BL Sewer	5,186	4,770	(416)	1,000	5,770
	171,860	138,000	(33,860)	100,000	238,000

	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Repair & Maint-Office					
Fund #110 - Administration	444	600	156	300	900
Fund #120 - Town Water	1,481	2,000	519	1,000	3,000
Fund #130 - Town Sewer	592	800	208	400	1,200
Fund #140 - BL Water	207	280	73	140	420
Fund #150 - BL Sewer	237	320	83	160	480
	2,961	4,000	1,039	2,000	6,000

	Expense thru 12/31/2007	Annual Budget	Budget Remaining	Proposed Budget Amendment	Proposed Revised Budget
Repair & Maint-Bldg					
Fund #110 - Administration	0	3,500	3,500	5,500	9,000
	0	3,500	3,500	5,500	9,000