

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MAY 9, 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 4/30/08 Meeting
- D-3) APPROVE 2008-09 ENGINEER'S REPORT FOR LANDSCAPE MAINTENANCE DISTRICT #1 [ADOPT RESOLUTION]
- D-4) ADOPT FIRE SAFETY POLICY [ADOPT RESOLUTION]
- D-5) RETAIN SCIENCE DISCOVERY TO IMPLEMENT 2008-09 WATER CONSERVATION CLASSROOM EDUCATION PROGRAM [RECOMMEND APPROVAL]

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**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS MAY 9, 2008**

**AGENDA ITEM
D-1
MAY 14, 2008**

WARRANTS WILL BE DELIVERED NEXT WEEK

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 43 - Years of Service 1965 - 2008

MINUTES

APRIL 30, 2008 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

D2

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.

00:00:40

B. ROLL CALL

At Roll Call, all directors were present.

00:00:50

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) NCSO SUPERINTENDENT TINA GREITENS Update re: Utility Operations

Utility Superintendent, Tina Grietens, reviewed the update of the utility operations for the past month as listed in the Board packet.

1. Compliance with water system requirements
2. Compliance with wastewater system requirements
3. Blacklake WWTP #3 pond liner repair
4. Southland WWTP
5. Drainage problem on Olympic
6. Water Distribution system
7. Sewer collection system maintenance
8. General maintenance
9. Staff training and certification
10. SCADA issues
11. Southland office completion

Ms. Grietens answered some questions from the Board.
There was no public comment.

C-2) NCSO WATER CONSERVATION COORDINATOR CELESTE WHITLOW Update re: Water Conservation Program

Celeste Whitlow, Water Conservation Specialist, reviewed the following information presented in the Board packet.

Nipomo Community Services District
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C-2) NCSD WATER CONSERVATION COORDINATOR CELESTE WHITLOW
Update re: Water Conservation Program (continued)

1. Grant applications
2. High-efficiency washer rebate program
3. Nipomo Mesa new-construction water use mitigation plumbing retrofits
4. Outreach to Spanish-speaking customers
5. Request for quotes for tree grate installation
6. Workshops
7. Meeting with Blacklake Architectural Committee
8. Removal of trees.

Ms. Whitlow answered questions from the Board.
There was no public comment.

C-3) NCSD ASSISTANT GENERAL MANAGER LISA BOGNUDA
Update re: Quarterly Financial Activities

Lisa Bognuda, Assistant General Manager, reviewed the Quarterly Financial Report as presented in Item D-4 of the Consent Agenda.

Ms. Bognuda answered questions from the Board. It was noted that the expenditures have increased more than the revenues, partly because staff has increased.

There was no public comment.

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

Director Eby

LAFCo annexed several hundred acres to the City of San Luis Obispo. There were some property owners with property within the annexed area that objected to the annexation, such as Farm Supply, Air Vol Block and others on Tank Farm Road. The reasons for not wanting annexation:

- SLO City Utility tax
- SLO City Planning standards more strict than the unincorporated area

May 15, 2008 LAFCo meeting has been cancelled. Next meeting will be June 8, 2008. NOAA predictions for April precipitation were correct. The prediction for May is dry.

Director Vierheilig

May 3, 2008 monthly workday at Nipomo Native Garden 9 a.m. to 12 noon. Bring hat, sunscreen, tools and water.

Director Winn

Nipomo Incorporation meeting 9:30 to 12 held at the Blacklake Community Building.

May 9, 2008, 9:00 a.m. Regional Water Quality Control Board hearing about on-site septic systems. Meeting will be held at the Regional Water Board on Aerovista Road in San Luis Obispo.

C-5) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

The following members of the public spoke:

John Smith, Civil Engineer, working on the design for a 7-acre lot split into 4 parcels for Jim David. He explained the situation and the costs being too much for his client.

MINUTES SUBJECT TO BOARD APPROVAL

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C-5) PUBLIC COMMENT ON ITEMS NOT ON AGENDA (continued)

Jim David, owner of the lot-split project on Evergreen mentioned above, stated that the District is requiring \$140,000 in fees. When the project began, he was not aware of the capacity fee for the fire service line. He asks the Board to accept the waterline as built so he will not need to pay for the high fire hydrant fees. He would like to pay the fees before his Intent-to-Serve letter expires.

The Board asked when the project began. Mr. David stated that the Intent-to-Serve letter was received in 2005. The Intent-to-Serve letter expires May 19, 2008.

President Winn explained that this is public comment time and the Board cannot act on the matter at this meeting.

Greg Nester, developer of a project at corner of Pomeroy and Willow – stated he is in the process of building a market and the fire department is requiring a hydrant. The project is within the Blacklake water system. He asked for consideration of the fees for the hydrant and to be included in the discussion of the merger.

Bruce Buel, General Manager, responded to Mr. David. The construction of Mr. David's project created a dead end because there is no looping. That does not comply with the District Standard Specifications. He stated that the applicant has two choices:

1. To apply for a variance by May 5, 2008
2. To abandon the hydrant in the cul-de-sac and set the hydrant on Evergreen

In response to Mr. Nester's comment, Mr. Buel stated that with the possible merger of Blacklake and Town water systems, the ability for the District to supply water off of Willow would change. Director Winn urged Mr. Nester to confer with staff about timing.

The Board agreed that both items need to be on the agenda for a future meeting.

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of 4/9/08 Meeting and 4/14/08 Special Meeting

D-3) REVISE FUGRO WEST AGREEMENT TO AUTHORIZE ADDITIONAL RESEARCH ON DISPOSAL SITE FEASIBILITY

D-4) ACCEPT QUARTERLY FINANCIAL REPORT

D-5) ACCEPT QUARTERLY INVESTMENT REPORT

Director Harrison requested that Items D-2 and D-3 be pulled from the Consent Agenda for a separate vote.

Director Vierheilg asked about a warrant to Taft Electric and why the cost is higher than what was being paid to PW Mann. It was explained that the work Taft is doing is more extensive. PW Mann had been doing patches and temporary fixes. This more extensive method by Taft is believed to be more cost-effective in the long run.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
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D. CONSENT AGENDA (continued)

The following member of the public spoke:

Pat Eby, NCSD resident, asked about the financial report concerning the groundwater litigation fees being collected from the customers of NCSD. She requests a full accounting of the fees being paid for groundwater litigation.

Lisa Bognuda, Assistant General Manager, stated that the expenditures have in the past exceeded the revenues. At this time, the charges are less but the litigation is still in progress. It is planned that when the litigation is complete, the litigation charge on the water bills will be removed.

Jon Seitz, District Legal Counsel, stated that a notice of appeal has been filed.

Director Trotter asked when the District would be approaching the partners to help pay for some of the costs of the litigation.

Mr. Seitz answered that the members of the stipulating parties have been jointly participating in a cooperative manner on the motions and the trials.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously approved Items D-1, D-4 and D-5 of the Consent Agenda. Vote 5-0.

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

Item D-2

Director Harrison asked to have a separate vote for the Minutes of April 9 and April 14 because he was not in attendance at the April 14th meeting. He also asked clarification of a comment by Mr. Buel in E-1. Mr. Buel explained the hydraulics of the system. Mr. Sevcik will be running several scenarios with the Water Gems software.

Upon motion by Director Harrison and seconded by Director Eby, the Board unanimously approved the Minutes of April 9, 2008, and April 14, 2008, with the stipulation that Director Harrison's vote would not be counted for the April 14th Minutes. There was no public comment. Vote 5-0.

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

Item D-3

Director Harrison asked if the District should do an RFP for the proposed work.

Director Eby asked if this project is similar in size and scope as the last project performed by Fugro West.

Bruce Buel, General Manager, explained that Fugro is uniquely qualified to perform the research regarding discharge of Southland WWTF effluent. Also, using the same firm as before gives similar results. The District uses a professional services agreement. The Board had previously approved Fugro to perform the task in Phases I and II. Director Vierheilig stated that the cost seems higher than the last time. Mr. Buel explained that the property to be evaluated is larger than the last and the property includes the bluff area, making it a more complex area to be analyzed.

MINUTES SUBJECT TO BOARD APPROVAL

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D. CONSENT AGENDA (continued)

Item D-3 (continued)

Paul Sorenson, representative from Fugro West, Inc., – stated that the fee schedule presented is a general one. All the services listed may not necessarily be used but are included in the schedule.

Upon motion by Director Eby and seconded by Director Harrison, the Board unanimously agreed to authorize execution of an agreement with Fugro West, Inc. to perform the Phase II services set forth in the proposal on a time-and-materials basis, with a not-to-exceed expenditure limit of \$72,700. There was no public comment. Vote 5-0.

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

The Board took a break at 10:24 a.m. and returned at 10:35 a.m.

E. ADMINISTRATIVE ITEMS

After the Break, the Board discussed moving some agenda items around to accommodate those in the audience. Lisa Bognuda, Assistant General Manager, stated that the consultant for Item E-1 is from San Diego. She asked if Ms. Jones could make her presentation so she could get back to San Diego.

Director Trotter made a motion to table Item E-3 until the next meeting for the Board to have time to read the April 28, 2008 letter from Black Lake Management Association. Director Vierheilg seconded the motion with the caveat that Mr. Seitz would answer some water rights questions. There was no public comment. Vote 3-2 with Directors Harrison and Director Winn voting no.

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

The Board will consider E-1, then hear from Mr. Seitz on E-3.

01:31:25

E-1) RECEIVE ACTUARIAL PRESENTATION ON OTHER POST EMPLOYMENT BENEFITS (OPEB) COMPLIANCE, SELECT PERS COMPLIANCE OPTION, AND ADOPT RESOLUTION INITIATING ENROLLMENT IN PERS OPEB TRUST

Bruce Buel, General Manager, introduced the item.

Marilyn Jones, representative from the Epler Company, reviewed the slide pages printed in the Board packet.

Purpose of Actuarial Valuation	Valuation Results Projected to 7-1-08
GASB 45 Requirements	GASB 45 Valuation Results
Hidden (Rate) Subsidy	Management of OPEB Liability
Retiree Health Benefits	GASB Eligible Pre-funding Vehicles
Background Information	Impact of Pre-forming
Actuarial Valuation	

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
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E-1) RECEIVE ACTUARIAL PRESENTATION ON OTHER POST EMPLOYMENT BENEFITS (OPEB) COMPLIANCE, SELECT PERS COMPLIANCE OPTION, AND ADOPT RESOLUTION INITIATING ENROLLMENT IN PERS OPEB TRUST (continued)

The Board discussed the Actuarial Valuation. There was no public comment.

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board unanimously received with no objections the Actuarial Valuation Report. Vote 5-0.

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

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board unanimously approved Resolution 2008-1078 to prefund post-employment benefits through CalPERS. Vote 5-0.

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

RESOLUTION NO. 2008-1078
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING AGREEMENT AND ELECTION TO PREFUND OTHER POST EMPLOYMENT
BENEFITS THROUGH CALPERS AND CERTIFICATION OF OPEB FUNDING
POLICY AND GASB 43/45 REPORTING COMPLIANCE

The Board considered Item E-3 next.

02:10:51

E-3) ADOPT FINAL REPORT ESTABLISHING BLACKLAKE WATER FUND EQUITY BUY-IN, ADOPT RESOLUTION TENTATIVELY APPROVING BLACKLAKE WATER RATE INCREASE AND INTRODUCE ORDINANCE MERGING BLACKLAKE AND TOWN WATER DIVISIONS

Jon Seitz, District Legal Counsel, stated that he was not the District's counsel at the time of the Blacklake Specific Plan Annexation in 1992. He has reviewed the relationship between the Town Division and the Blacklake Division.

- Residents within the Blacklake Specific Plan were provided water service, sewer service and street lighting by SLO County Service Area 1G, a dependent special district (similar to a community services district with the governing board being the County Board of Supervisors).
- In 1992, the Local Agency Formation Commission (LAFCO) approved a reorganization involving the detachment of Blacklake from CSA 1G and the annexation of Blacklake to NCSD. As a result of this reorganization, NCSD assumed the responsibilities for water, sewer and street lighting for the Blacklake development. Thus, the occupied lots in Blacklake transitioned from CSA-1G customers to NCSD customers. The Blacklake residents agreed to the annexation as long as the Blacklake system was an independent system with no interconnection.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
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E-3) ADOPT FINAL REPORT ESTABLISHING BLACKLAKE WATER FUND EQUITY BUY-IN, ADOPT RESOLUTION TENTATIVELY APPROVING BLACKLAKE WATER RATE INCREASE AND INTRODUCE ORDINANCE MERGING BLACKLAKE AND TOWN WATER DIVISIONS (CONTINUED)

- The golf course was partially irrigated with treated effluent. The Blacklake development was serviced with two wells. At the time of annexation, the residents at Blacklake were concerned that NCSO would use the Blacklake water supply for further expansion of Town development. An intertie would be considered for emergency situations only.
- There was no property tax transfer, which is highly unusual with annexations.
- After years of operation, Blacklake water system was having trouble meeting Title 22. When a development occurred in 2000, the developer was required to construct an intertie to the Sundale Well for Blacklake's peaking periods. As Blacklake's system aged, it was suggested to increase the intertie.
- CSA-1G has same water rights as a district has in providing water to development. There was no change in water rights. BLMA was present at the litigation, but not as a water purveyor.
- SLO County regulations permit wells for irrigation but not for potable use.
- When Director Winn asked why BLMA was cited as party to the litigation, Mr. Seitz replied that all water purveyors between Orcutt and Pismo were cited.
- The 4-inch intertie was constructed in 2000. This was necessary because of development within Blacklake.

The following members of the public spoke:

Bill Nelson, Blacklake resident – stated that the BLMA owning property would need to be researched. He stated he is not sure if title has been transferred from the sub-association to the BLMA. As a property owner, he believed he was able to drill a well on his property but could not sell that water to residents of Blacklake.

Mr. Seitz stated that a property owner in Blacklake could drill a well but could not sell the water to others.

Director Winn stated that a well used for irrigation must have a backflow device.

Pat Eby, Blacklake resident – asked how the BLMA got into the litigation. She stated that the independent water rights question was not answered. She also stated that they probably cannot get an opinion from a water rights attorney in two weeks. She asked if the new inter-tie had been permanent, if the systems had been merged prior to 1999, would Blacklake have been part of the stipulation.

Mr. Seitz replied that Mr. Guy Murray may be the best to contact because he represented BLMA in the litigation. He also stated that the key issue is in the annexation. CSA-1G was dissolved and incorporated into the District when LAFCo approved the annexation.

Director Winn stated that the intertie does not constitute a merger. The District has other interties. He stated that the item will be discussed further during the May 14, 2008 meeting.

Mr. Seitz noted that LAFCo directed that the two systems were to remain separate and operate as independent systems except for an emergency intertie.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
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The Board considered the Closed Session next.

02:47:37

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 NCSD (SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 MARIA VISTA VS. NCSD (CASE NO. CV 040877), MARIA VISTA VS. NCSD (CASE NO. CV 061079), AND MARIA VISTA VS. LINDA VISTA FARMS, NCSD 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. NCSD 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; NCSD VS. SLO COUNTY (CASE NO. CV 070066)
5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS BRUCE BUEL AND JON SEITZ REGARDING NEGOTIATIONS FOR PURCHASE OF A FEE TITLE INTEREST IN APN 091-152-001 AT CALLENDER ROAD AND HWY 1 (OWNER: TOM MCGONAGIL; OWNER'S NEGOTIATOR: JERRY SCHMIDT) PURSUANT TO GOVERNMENT CODE SECTION 54956.8

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:01 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Jon Seitz, District Legal Counsel, announced out of Closed Session at 1:00 p.m.

Mr. Seitz announced that the Board heard an update on the items listed above but took no reportable action.

The Maria Vista trial court sustained the demurrers of the without leave to amend the District and the County's demurer as to the first, second, third and fourth causes. The District is waiting for Maria Vista's response.

Groundwater adjudication – the Board heard an update of the decision made by Judge Komar on April 4, 2008. The next hearing will be June 13, 2008.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
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L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION (CONTINUED)

The court made a determination that the water purveyors were the prevailing party on some issues and that no-one prevailed in other issues. He ruled that the Wineman-LOG Groups were not prevailing parties. The judge denied the LOG-Wineman petition for attorney fees, and he rejected their request to hold a hearing re whether the Nipomo Mesa was in overdraft. Real property negotiator potential purchase of property at Highway 1 and Callendar Road was discussed.

The Board considered Item E-5 next.

02:53:36

E-5) CONSIDER REQUEST FROM SLO FIRE SAFE COUNCIL TO COORDINATE AND FUND ANNUAL NIPOMO GREENWASTE CHIPPING EVENT

Bruce Buel, General Manager, introduced this item.

David Mathe of the SLO Fire Safe Council told the Board that there will no longer be funding for the chipping event in two years. It is a grant-driven program. Some funding is available for 2008 and less for 2009. He explained that the Air Pollution Control District will reimburse the District for some of the advertising for the event.

There was no public comment.

Upon motion by Director Vierheilig and seconded by Director Trotter, the Board unanimously agreed to perform the following tasks as requested:

- Advertise the event
- Collect and tabulate the flyer participant information
- Place banners in strategic locations in Nipomo
- Register homeowner participants

The Board also agreed:

- To provide requested funding,
- Include a \$10,000 line item expenditure in the Solid Waste Fund in the FY08-09 Budget,
- Direct the General Manager to respond to the Council and provide staff support necessary for program implementation.
- To work with the County and others for a long-term sustainable funding mechanism for this program.

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

Vote 5-0.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
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02:52:13

- E-2) RECEIVE DRAFT WATERLINE INTERTIE PROJECT ENGINEERING MEMORANDUM, PROPOSE DRAFT PROJECT CONCEPT, REVISE PROJECT OBJECTIVES; AUTHORIZE REQUEST FOR PROPOSALS FOR DESIGN SERVICES, AND REVISE AGREEMENT WITH DOUG WOOD (DWA) TO PREPARE DRAFT EIR

Bruce Buel, General Manager, introduced the item. He reviewed the chronology of the NCSD/Santa Maria Waterline Intertie Project thus far. The preliminary engineering memorandum for the Waterline Intertie Project (WIP) prepared by Boyle Engineering concludes that three primary alignment routings are available at annual delivery rates ranging from 2,000 acre feet to 3,000 acre feet at a cost from \$16 million to \$21 million.

Mike Nunley, Project Manager from Boyle Engineering, reviewed the slide presentation. Slides include the following:

- Need for Water
 - Prevent overdraft of NMMA
 - Urban Water Management Plan
 - Settlement
 - Salt management (wastewater)
- Previous WIP Reports
- 2006 Draft Memorandum
- 2006 Unknowns
- Evaluation of Supplemental Water Alternatives
- Constraints Summary
- Costs Summary
- Board Direction
 - Pursue Waterline Intertie Project and Desalination
 - Investigate State Water and Aquifer storage/recovery with State Water or City Water
- Santa Maria's Distribution System
- Nipomo CSD Water Master Plan
- Project Phasing
- Demand and Delivery
- Advantages of Storage
- EIR Project Descriptions
- Recommended Project
- Future Improvements for 300 AFY
- Project Schedule
 - Present to Board on April 30, 2008
 - Peer Review comments received
 - Finalize Memorandum by end of May, 2008

A copy of the slides is available for viewing in the District office. The Board discussed the presentation with Mr. Nunley. There was no public comment.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
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- E-2) RECEIVE DRAFT WATERLINE INTERTIE PROJECT ENGINEERING MEMORANDUM, PROPOSE DRAFT PROJECT CONCEPT, REVISE PROJECT OBJECTIVES; AUTHORIZE REQUEST FOR PROPOSALS FOR DESIGN SERVICES, AND REVISE AGREEMENT WITH DOUG WOOD (DWA) TO PREPARE DRAFT EIR (CONTINUED)

Upon motion by Director Harrison and seconded by Director Eby, the Board unanimously adopted the project concept, which involves the phased development of alignment No. 1 with the initial phase (Phase I) yielding 2,000 acre feet per year; Phase II yielding up to 3,000 acre feet per year; and Phase 3 yielding up to 6,200 acre feet per year. The Phase I project is partially described in Section 11.0 Preferred Project Alternatives on Page 11-1 of the Boyle Report with the addition to the construction of a 12" water main in Southland Street between Orchard and South Frontage and the construction of a 12" water main in South Frontage from Southland Street to Tefft Street. The Phase II project concept would add the construction of a 12" water main in Orchard Road from Southland Street to Division. The Phase III project would involve the improvements described in Section 12 Future Project Improvements on Page 12-1 of the report. Vote 5-0.

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

The Board edited the previously adopted set of Waterline Intertie Project Objectives to be included in the DEIR. The Board discussed and revised the objectives.

Doug Wood of Douglas Wood and Associates explained what needed to be included in the Objectives to be accepted by CEQA.

There was no public comment.

Upon motion by Director Vierheilig and seconded by Director Eby, the board adopted the amended Waterline Intertie Project Objectives. Vote 4-1 with Director Harrison voting no.

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

The Board then discussed the proposed Waterline Intertie Project Design Request for Engineering Services. There was no public comment. Director Trotter temporarily left the boardroom. Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously approved the RFP, as amended, and directed staff to circulate the request. Vote 4-0.

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

The Board discussed the proposal from Douglas Wood and Associates, Inc. Mr. Wood discussed some of the points for the preparation of the Environmental Impact Report.

There was no public comment.

Upon motion by Director Eby and seconded by Director Trotter, the Board unanimously agreed to authorize an amendment to the existing DWA Agreement to add the scope of work set forth in the proposal on a time-and-materials basis, with a not-to-exceed expenditure limit of \$94,260. Vote 5-0.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
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- E-2) RECEIVE DRAFT WATERLINE INTERTIE PROJECT ENGINEERING MEMORANDUM, PROPOSE DRAFT PROJECT CONCEPT, REVISE PROJECT OBJECTIVES; AUTHORIZE REQUEST FOR PROPOSALS FOR DESIGN SERVICES, AND REVISE AGREEMENT WITH DOUG WOOD (DWA) TO PREPARE DRAFT EIR (CONTINUED)

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

05:16:39

- E-4) INTRODUCE ORDINANCE AMENDING MAXIMUM TERM FOR SOLID WASTE FRANCHISE AGREEMENT FROM 10 YEARS TO 15 YEARS AND SET SECOND READING FOR MAY 14, 2008

Bruce Buel, General Manager, explained that NCSD established rules and regulations for solid waste collection including franchise agreement by adopting Title 7 of the District Code. Section 7.20.060 of the District Code provides that franchise agreements shall provide for a term which does not exceed ten (10) years. South County Sanitary Service has requested Nipomo Community Services District consider a fifteen year extension of the franchise agreement.

Upon motion by Director Vierheilig and seconded by Director Harrison, the Board unanimously agreed to have legal counsel read the proposed ordinance by title only. There was no public comment. Vote 5-0.

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

Jon Seitz, District Legal Counsel, read the proposed ordinance by title only.

AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AMENDING CHAPTER 7.20 OF TITLE 7 OF THE DISTRICT CODE TO EXTEND FRANCHISE AGREEMENT TIME LIMITS

The Board discussed the request from South County Sanitary Service. Mr. Seitz explained that there are four providers for trash service in SLO County.

Upon motion by Director Vierheilig and seconded by Director Trotter, the Board unanimously agreed to introduce the Ordinance and set the Public Hearing and second reading for May 14, 2008. There was no public present to comment. Vote 5-0.

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

05:27:00

F. MANAGER'S REPORT

Bruce Buel, General Manager, presented the Manager's Report as written in the Board Packet. There was no public comment.

MINUTES SUBJECT TO BOARD APPROVAL

05:28:25

G. COMMITTEE REPORT

1. April 7, 2008 Water Conservation Committee Meeting
2. April 10, 2008 Finance and Audit Committee Meeting
3. April 14, 2008 Supplemental Water Project Committee Meeting
4. April 21, 2008 Supplemental Water Project Committee Meeting

Bruce Buel, General Manager, reviewed the presentation of the minutes for the various meetings.

Director Vierheilig stated that the Finance and Audit Committee reviewed the funded replacement funding model and Boyle replacement models.

Monday, May 5, 2008, the Southland Wastewater Treatment Facility Upgrade Project Committee will meet at 10:00 a.m. to discuss the Regional Water Quality Control Board's disposal options.

05:

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTSDirector Eby

He asked if the water-levels report will be due in June. Mr. Buel answered that he expects the report from Mr. Ken Hubbs to arrive in late May or early June. SAIC Report on groundwater supply above mean sea level probably will arrive the end of May. It will be presented at the June 11, 2008 meeting

Director Winn

He stated that he and staff met with members of the Planning Department about the Oakglen Specific Plan and Transfer Development Credits (TDCs). The District's position was understood so as not to undermine the District's resource reliability.

He attended a third-grade class in San Luis Obispo to hear Mr. DiMilo's presentation of the Science Discovery program relative to water conservation. He said the program was very well done and Mr. DiMilo has a good rapport with the kids in the class. He stated that some of the items did not pertain to the District but was assured that the program would be tailored to Nipomo's needs, with pictures of Nipomo also.

May 1, 2008 SLO Planning Commission will meet and discuss agriculture events.

April 24th meeting was included discussion about Inclusionary Housing. It will be discussed again May 22nd.

Water Resources Advisory Commission will meet, Wednesday, May 7, 2008. Mr. Seitz asked if WRAC could request that the County budget the equipping of the two remaining monitoring wells (aka "sentinel wells") along the coast on the west of the Mesa.

Director Trotter asked about the whereabouts of his Delta atlas and his booklet assessing ground water storage. He also volunteered to install a meter on his irrigation system.

ADJOURN

President Winn adjourned the meeting at 4:00 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS MAY 14, 2008.**TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Review Draft Replacement Study
- Merger of Town and Blacklake Water Systems
- Adoption of Ordinance Enabling 15 Year Franchise Agreement

MINUTES SUBJECT TO BOARD APPROVAL