

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: OCTOBER 17, 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 9/10/08 Regular Meeting
- D-3) NOT USED
- D-4) ACCEPT QUARTERLY INVESTMENT REPORT [RECOMMEND APPROVAL]
- D-5) ACCEPT PHASE II CARRIAGE HOMES (TRACT 1747) WATER AND SEWER IMPROVEMENTS AND EASEMENTS [ADOPT RESOLUTION]
- D-6) ACCEPT DAVID WATER SYSTEM IMPROVEMENTS ON EVERGREEN WAY [RECOMMEND APPROVAL]
- D-7) AUTHORIZE SUBMITTAL OF LETTER TO CPUC SUPPORTING PROPOSED REVISION TO GOLDEN STATE WATER COMPANY'S RATE STRUCTURE [RECOMMEND APPROVAL]
- D-8) REVISE 2008 BOARD MEMBER ASSIGNMENTS TO SUPPLEMENTAL WATER COMMITTEE [RECOMMEND APPROVAL]

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: OCTOBER 17, 2008

**AGENDA ITEM
 D-1
 OCTOBER 22, 2008**

**TOTAL COMPUTER
 CHECKS
 \$ 186,324.18**

HAND WRITTEN CHECKS

10-08-08	19820	MID STATE CONTAINERS	4,826.25
10-16-08	19821	US POSTMASTER	252.00
10-17-08	19822	M WINN	100.00
10-17-08	19823	L VIERHEILIG	100.00

VOID
 19819, 15606

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
15618	10/17/08	EMP01	EMPLOYMENT DEVELOP DEPT	920.43	.00	920.43	A81013	STATE INCOME TAX
15619	10/17/08	MID01	MIDSTATE BANK-PR TAX DEP	3250.78 907.76	.00 .00	3250.78 907.76	A81013 1A81013	FEDERAL INCOME TAX MEDICARE (FICA)
			Check Total.....:	4158.54	.00	4158.54		
15620	10/17/08	MID02	MIDSTATE BANK - DIRECT DP	24698.85	.00	24698.85	A81013	NET PAY
15621	10/17/08	PER01	PERS RETIREMENT	7885.04	.00	7885.04	A81013	PERS PAYROLL REMITTANCE
15622	10/17/08	STA01	STATE STREET GLOBAL	1380.00	.00	1380.00	A81013	457 DEFERRED COMP
015623	10/17/08	CHE01	CHEVRON & TEXACO BUSINESS	2750.36	.00	2750.36	092808	GASOLINE
015624	10/17/08	HEW01	HEWLETT-PACKARD CO	7497.79	.00	7497.79	25446473	PRINTER
015625	10/17/08	PER04	PERRY'S ELECTRIC MOTORS	996.14	.00	996.14	8880	REPAIR AERATOR MOTOR
015626	10/17/08	SOU01	SOUTH COUNTY SANITARY	169.12 34.92	.00 .00	169.12 34.92	2323109 2329638	OLDE TOWNE TRASH COLLECTI TRASH COLLECTION OFFICE
			Check Total.....:	204.04	.00	204.04		
015627	10/22/08	ABA01	ABALONE COAST BACTERIOLOG	120.00 20.00 20.00 176.00 20.00 20.00 14.40 14.40 120.00 20.00 20.00 176.00 20.00 20.00 120.00 20.00 14.40 14.40	.00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00	120.00 20.00 20.00 176.00 20.00 20.00 14.40 14.40 120.00 20.00 20.00 176.00 20.00 20.00 120.00 20.00 14.40 14.40	08-1936 08-1937 08-1947 08-1954 08-1955 08-1964 08-1965 08-1976 08-1990 08-1991 08-2002 08-2003 08-2016 08-2024 08-2061 08-2062 08-2085 08-2086	WATER SAMPLES BL WWTF LAB BL WWTF LAB TOWN WWTF LAB BL WWTF LAB BL WWTF LAB WATER SAMPLES WATER SAMPLES BL WWTF LAB BL WWTF LAB TOWN WWTF LAB BL WWTF LAB BL WWTF LAB WATER SAMPLES BL WWTF LAB WATER SAMPLE WATER SAMPLE
			Check Total.....:	949.60	.00	949.60		
015628	10/22/08	ALX01	ALEXANDER'S CONTRACT SERV	2199.95	.00	2199.95	092908	SEPT METER READS
015629	10/22/08	AME03	AMERI PRIDE	115.85 113.32	.00 .00	115.85 113.32	F596698 F602325	UNIFORMS ETC UNIFORMS ETC
			Check Total.....:	229.17	.00	229.17		
015630	10/22/08	BOY01	BOYLE ENGINEERING CORP	1085.00 12519.90 4945.05 3140.37 33410.54 620.00 1492.50 805.00	.00 .00 .00 .00 .00 .00 .00 .00	1085.00 12519.90 4945.05 3140.37 33410.54 620.00 1492.50 805.00	06195 060174 060176 060184 060193 06195A 06195C 060195B	PCI-TRACT 2652 NIPOMO TOW SOUTHLAND DISPOAL PLANNIN BL SALTS MINIMIZATION PLA SOUTHLAND SALTS MINIMIZAT WATERLINE INTERTIE PROJEC PCI-TRACT 2690 FLATLEY PCI-TRACT 1747 CARRIAGE H PCI-GLOBAL PREMIER
			Check Total.....:	58018.36	.00	58018.36		
015631	10/22/08	BRE02	BRENNTAG PACIFIC INC.	1137.06 644.54	.00 .00	1137.06 644.54	BPI835973 BPI837990 BPI837991	CHLORINE CHLORINE CHLORINE
			Check Total.....:	2727.57	.00	2727.57		

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
015632	10/22/08	CAL15	CALIFORNIA URBAN WATER CO	233.73	.00	233.73	34483	REBATES-WATER CONSERVATIO
015633	10/22/08	CAN02	CANNON ASSOCIATES	30.00	.00	30.00	44662	WOODGREEN TRANSDUCER REPL
				30.00	.00	30.00	44663	MARIA VISTA LEVEL TRANDOC
				310.00	.00	310.00	44664	NIPOMO PALMS & EUREKA COM
				417.50	.00	417.50	44665	GARDENIA LS COMM
015633	10/22/08	CAN02	CANNON ASSOCIATES	990.00	.00	990.00	44666	IPAAC OPERATIONS
				5948.67	.00	5948.67	44691	WATERLINE RELOCATIONS
				22266.16	.00	22266.16	44692	WILLOW RD WATERLINE EXT P
			Check Total.....:	29992.33	.00	29992.33		
015634	10/22/08	CAR04	CAR QUEST AUTO PARTS	331.56	.00	331.56	281153+	SUPPLIES
015635	10/22/08	COR01	CORBIN WILLITS SYSTEMS	1200.00	.00	1200.00	A80930	COMPUTER SUPPORT
015636	10/22/08	CRO02	CROSBY & CINDRICH, CPAS	4415.00	.00	4415.00	20586	AUDIT SERVICE
015637	10/22/08	CSD02	CALIFORNIA SPECIALTY DIST	583.52	.00	583.52	153164	CHLORINE INJECTION PARTS
015638	10/22/08	DEL03	DENNIS DELZEIT	765.00	.00	765.00	0908	PREVENTIVE MAINT PROGRAM
015639	10/22/08	DEP02	DEPT OF CONSUMER AFFAIRS	200.00	.00	200.00	123108	LICENSE RENEWAL #49895
015640	10/22/08	DWI01	DWIGHT'S AUTOMOTIVE	15.00	.00	15.00	39130	TIRE REPAIR
015641	10/22/08	EBY01	EBY, ED	100.00	.00	100.00	102208	REG BD MEETING 102208
015642	10/22/08	EVE01	EVERGREEN LANDSCAPING	75.00	.00	75.00	091808	PEST REMOVAL IN WATER BOX
015643	10/22/08	FAR01	FARM SUPPLY COMPANY	1423.79	.00	1423.79	819961+	OPERATING SUPPLIES
015644	10/22/08	FUG01	FUGRO WEST, INC.	3998.75	.00	3998.75	3596-005	SOUTHLAND WWTF DISCHARGE
				270.00	.00	270.00	3596-0012	SOUTHLAND WWTF DISCHARGE
			Check Total.....:	4268.75	.00	4268.75		
015645	10/22/08	GAS02	GAS COMPANY, THE	440.17	.00	440.17	092908	SUNDALE
015646	10/22/08	GRO01	GROENIGER & CO	34.76	.00	34.76	11004547	SUPPLIES
015647	10/22/08	HAM02	HAMNER JEWELL & ASSOCIATE	917.50	.00	917.50	4171	PROPERTY NEGOTIATION
015648	10/22/08	HAR02	HARRISON, JAMES	100.00	.00	100.00	102208	REG BD MEETING 102208
015649	10/22/08	HOD02	HODGE COMPANY	750.00	.00	750.00	092208	CAMINO CABALLO WATERLINE
				150.00	.00	150.00	A81016	CAMINO CABALLO WATERLINE
			Check Total.....:	900.00	.00	900.00		
015650	10/22/08	KOE01	KOEHLER PLUMBING, INC	75.00	.00	75.00	3344	BACKFLOW DEVICE TEST
015651	10/22/08	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	42651	LANDSCAPE MAINT TR 2409
015652	10/22/08	LIN02	LINC DELIVERY	198.00	.00	198.00	1793	LAB DELIVERY
015653	10/22/08	MCD01	McDONOUGH HOLLAND & ALLEN	1367.54	.00	1367.54	204808	LEGAL SERVICES
015654	10/22/08	MOT01	MOTLEY, RICK	60.00	.00	60.00	092508	REIMB TRAVEL
015655	10/22/08	MRP01	MR. POOLMAN	90.51	.00	90.51	44554	SUPPLIES FOR SEWERS
015656	10/22/08	NUT01	NU TECH PEST MGMT	265.00	.00	265.00	69742	PEST CONTROL
				49.00	.00	49.00	69743	PEST CONTROL
			Check Total.....:	314.00	.00	314.00		
015657	10/22/08	ONE01	1-800-CONFERENCE	173.88	.00	173.88	598260	CONFERENCE CALL NMMA TG

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
015658	10/22/08	PO001	POOR RICHARD'S PRESS	758.09	.00	758.09	196526	WATER CONSERVATION LETTER
015659	10/22/08	QUI01	QUILL CORPORATION	148.76	.00	148.76	1496864	SUPPLIES
015660	10/22/08	SAN09	SAN LUIS MAILING SERVICE	52.12	.00	52.12	33549A	MAIL SECOND NOTICES
				220.08	.00	220.08	33549B	POSTAGE FOR SECOND NOTICE
				108.27	.00	108.27	33555A	MAIL BILLS
				620.16	.00	620.16	33555B	POSTAGE FOR BILLS
			Check Total.....:	1000.63	.00	1000.63		
015661	10/22/08	SHI01	SHIPSEY & SEITZ, INC	13089.77	.00	13089.77	091808	LEGAL SERVICES
015662	10/22/08	SLO06	SAN LUIS OBISPO TAX COLL	7.00	.00	7.00	102008	PROPERTY TAX 091-231-016
				1016.96	.00	1016.96	102008B	PROPERTY TAX 091-232-016
			Check Total.....:	1023.96	.00	1023.96		
015663	10/22/08	SPA01	SPANGO VOICE COMM	255.69	.00	255.69	6545	VOICE & DATA DROP
015664	10/22/08	SPE01	SPECIAL DISTRICT RISK	2085.32	.00	2085.32	26781	07-08 W/C FINAL ADJUSTED
015665	10/22/08	SPE02	SPECIAL DISTRICT FINANCIN	1500.00	.00	1500.00	8441	REASSESSMENT DIST 93-1R
015666	10/22/08	STA03	STATEWIDE SAFETY & SIGNS	82.02	.00	82.02	65191	SUPPLIES
015667	10/22/08	TAF01	TAFT ELECTRIC	242.15	.00	242.15	30382BB	LA MIRADA LFT STN & GATE
				417.24	.00	417.24	30382DD	INSTALL PLUG AT OFFICE
			Check Total.....:	659.39	.00	659.39		
015668	10/22/08	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	102208	REG BD MEETING 102208
015669	10/22/08	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	102208	REG BD MEETING 102208
015670	10/22/08	WAL01	WALLACE GROUP	2315.67	.00	2315.67	26380	TEFFT ST L/S EASEMENT SUR
015671	10/22/08	WIN01	WINN, MICHAEL	100.00	.00	100.00	102208	REG BD MEETING 102208

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 43 - Years of Service 1965 - 2008

DRAFT MINUTES

OCTOBER 8, 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, **FINANCE DIRECTOR/ASST GM**
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.

00:00:30

B. ROLL CALL

At Roll Call, Director Winn, Harrison, Eby and Vierheilig were present. Director Trotter had a planned absence.

00:00:47

C. PRESENTATIONS AND PUBLIC COMMENT

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

Update re: Sheriff's Activities on the Nipomo Mesa

Sgt. Steve Harris represented the Sheriff's Office. The graffiti at the Santa Maria bridge was painted over twice. A car in Oceano was broken into and a purse stolen. Internet scams are on-going and are turned over to a FBI agent in Santa Maria. A burglary was in progress when a Blacklake homeowner arrived at his home. A concerned citizen called about the pregnant lady that lives under the bridge. The officer went to check on her and was told she had gone to the hospital.

C-2) BATTALION CHIEF BILL FISHER OF CAL FIRE

Update re: Cal Fire Activities on the Nipomo Mesa

Battalion Chief Bill Fisher reviewed the Activity Report for September:

Nipomo Station 20 had a total of 96 calls: 15 fires, 12 vehicle accidents, 59 medical aids and 10 other calls.

Mesa Station 22 had a total of 46 calls: 4 fires, 5 vehicle accidents, 28 medical aids and 9 other calls.

Fire Prevention Week will include fire engines going to elementary schools for education. They are working on setting a date for the chipping event. Station 22 will be completed in April.

C-3) DISTRICT ENGINEER PETER SEVCIK

Update re: District Engineer Activities

District Engineer Peter Sevcik gave an update of recent activities. He reviewed the outline in the Board packet and answered questions from the Board.

- A field trip to Moorpark is planned for the field crew and Boyle to look at their

**Nipomo Community Services District
DRAFT MINUTES
Meeting Notes**

Biolac plant on October 28.

- Recycled Water Survey was sent out.
- Met with Cannon & Associates on upgrades to the software for the SCADA and standpipe mixing

Director Eby asked about the well water level. Mr. Sevcik stated the wells were manually dipped because IPPAC is not calibrated properly. Director Winn suggested we need a sampling protocol. Director Winn also suggested that our employees receive training on agricultural spraying.

C-4) NOT USED

C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Harrison

October Fest is Saturday, October 11

Director Vierheilig

Native Garden Plant Sale was successful and plants will be for sale at the October Fest

Director Winn

He observed the street sweeper and it appears they are using water for dust control.

A recycling station in Nipomo is not accepting all types of recycling as required by law.

On January 23, 2009, UCLA will be sponsoring a Land Use and Law Conference Update. Director Winn is planning on attending and is willing to carpool.

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Bill Petrick, NCS D resident, commented on Mr. Sevcik's report and stated that the Technical Group is addressing water well levels and trigger points and that sea water intrusion is 10-15 years away.

Director Eby asked if we participate in the Technical Group. Mr. Buel said yes. District Legal Counsel, Jon Seitz, stated that documents from the Technical Group are not public documents until they are submitted to the court and the only document submitted to the Court thus far is the Monitoring Program.

D. CONSENT AGENDA

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of 9/24/08 Regular Meeting

D-3) AWARD BID FOR INSTALLATION OF FENCING AT SOUTHLAND YARD

Director Harrison asked that Item D-3 be pulled for separate consideration.

Director Eby asked about Water Fees paid to Dept of Health Services. Answer –Annual permit fees for review of our water system. Director Harrison stated that Nipomo Hardware is no longer an Ace Hardware. Director Winn had a minor addition to Item C-5 of the Minutes.

Upon motion of Director Vierheilig and seconded by Director Eby, the Board unanimously approved Items D-1 and D-2 as amended. There was no public comment. Vote 4-0.

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

**Nipomo Community Services District
DRAFT MINUTES
Meeting Notes**

Item D-3

Director Harrison stated that it looked like three bids for three different projects due to the differing lengths of fencing and some with barbed wire and some without barbed wire. Director Harrison made a motion and seconded by Director Vierheilg to table this item. There was no public comment. Mr. Buel stated an RFP was not prepared and vendors were asked to do their own measuring and submit a quote. Director Harrison withdrew his motion and Director Vierheilg withdrew his second to the motion. Upon motion of Director Eby and seconded by Director Vierheilg, the Board unanimously approved Staff's recommendation and awarded the bid to Town and Country. There was no public comment. Vote 4-0.

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

00:49:42

The Board of Directors agreed to hear Item E-3 next since the rate consultant, Bob Reed had not yet arrived for Items E-1 and E-2.

The Board of Directors took a five-minute break at 9:50 a.m. and reconvened at 10:00 a.m.

00:50:02

E-3) **CONSIDER DRAFT SALTS MANAGEMENT REPORT AND DISCUSS OPTIONS TO MINIMIZE SALT DISCHARGE INTO TOWN AND BLACKLAKE SEWER SYSTEMS**

Bruce Buel, General Manager, stated the Water and Sewer Master Plan recommended NCSD address the salts issue. Boyle Engineering was retained to prepare a Salts Management Plan for the Town and Blacklake Sewer Systems. Neither plant is meeting its discharge requirement. The Governor vetoed AB 2270 last week.

Mike Nunley and Kirk Gonzalez of Boyle Engineering, presented a power point presentation on their findings based in the Draft Salts Minimization Plans. Mr. Buel stated the need to prospectively deal with new installations of self-regenerative water softeners (SRWS) and education and/or incentives to existing owners of SRWS to replace or eliminate them.

George Billinger, NCSD resident, stated BLMA actively pursued the removal of SRWS within the Village by providing a \$250 incentive. 8 or 9 SRWS were removed, but they had trouble getting information from NCSD to determine if this made a difference.

James Pelky, NCSD resident, asked if he could use the SRWS since he is on septic, does potassium chloride work better and if supplemental water is high in salts what would be the impact on landscaping?

Mark Westfall, NCSD resident, stated the report didn't consider the mix of well water with town water supply and the Fairway Homeowners Association Rules and Regulations prohibit SRWS but enforcement is a problem.

Ian Wallace, NCSD resident, stated RWQCB missed the boat at only looking at salt from the treatment facilities. There a large number of septic tanks with no restrictions on the use of SRWS. Enforcement with no authority to inspect is a problem.

Bill Petrick, NCSD Resident, has a problems with 1) the accuracy of the data in the Boyle Report and 2) the conclusions in the Boyle report and 3) referenced the November 9, 2007, Boyle Report.

Mr. Buel responded:

- Three months ago the RWQCB adopted draft on-site regulations that would prohibit SRWS for septic disposers
- Potassium Chloride is addressed in Boyle's report

Nipomo Community Services District
DRAFT MINUTES
Meeting Notes

- Supplemental water is lower in salt not higher in salt
- The Boyle report did not address the mixing of water since the potential merger has not occurred. The salts violations occurred prior to the intertie being installed.
- Enforcement, such as the Country Club model, was prior to the adoption of Proposition 218

Upon motion of Director Eby and seconded by Director Harrison, the Board unanimously agreed to adopt Staff recommendations and explore anything that may be helpful. Vote 4-0.

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

01:57:17

E-1) ACCEPT BLACKLAKE SEWER FINANCIAL PLAN AND SET PROTEST HEARING ON PROPOSED USER FEE INCREASE AND SURCHARGE

Bruce Buel, General Manager, stated the draft report was presented to the Board in August. The Ad Hoc Committee met twice with representatives from Blacklake and forwarded recommendations to the Board. At the September 10, 2008, Board Meeting the Board agreed with the recommendations submitted by the Ad Hoc Committee and directed Bob Reed to incorporate the recommendations into the Financial Plan. Bob Reed, Rate Consultant, provided an update of the Financial Plan to the Board. The updated plan takes into consideration the following;

- Replacement Study objectives recently approved by the Board of Directors
- Maintaining an adequate O&M Reserve
- Postponement of the following capital improvement projects-access to the Lift Station, repair of the sewer trunk line and replacement of the pond liner

With the proposed rate increases over the next five years, there should be enough funds in the sixth year to initiate the capital improvement projects.

There is less disparity between the Single Family and Multi-Family sewer rates based on water use and estimated sewer flows.

Bill Petrick, NCSD resident, commends the effort of Blacklake and the Ad Hoc Committee and doesn't like the results but acknowledges that something needs to be done. He asked what assurances can be given that this will not happen again. He feels there is no accountability or cost controls and suggests NCSD and BLMA meet quarterly on this financial crisis. Mr. Petrick suggests the Board approve a 2 year rate increase and not a 5 year rate increase.

Bill Nelson, NCSD resident, stated that a number of assumptions were made in order to get the rate increases down.

Mr. Buel responded to public comment-adoption of a five year rate increase is prudent because a two year rate increase does not get the fund even. At three years, the fund is projected to be even.

Director Winn stated the Ad Hoc Committee looked at Alternative A and the financial burden.

Director Harrison asked how the cost of operating Blacklake Sewer compares to other plants of similar size. Mr. Reed said the RWQCB prepares an annual survey report. Mr. Seitz pointed out that each plant is unique and one must be careful in their comparisons due to variables in treatment, etc. Director Winn pointed out that Cypress Ridge discharges onto a golf course and has lost over \$500K in the past few years. Director Eby objects to the reference of this as a financial crisis-it is a financial plan and prudent plan.

**Nipomo Community Services District
DRAFT MINUTES
Meeting Notes**

Upon the motion of Director Vierheilg and seconded by Director Harrison, the Board unanimously approved the Financial Plan, Resolution and set the Public Hearing for December 10, 2008. Vote 4-0.

RESOLUTION 2008-1105
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING BLACKLAKE SEWER FINANCIAL PLAN AND ESTABLISHING
DECEMBER 10, 2008 TO CONSIDER WRITTEN PROTESTS TO PROPOSED RATE INCREASES

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

02:22:30

E-2 RECEIVE REPORT FROM RATE CONSULTANT REGARDING MERGER OF BLACKLAKE AND TOWN WATER SYSTEMS, PROVIDE POLICY GUIDANCE AND AUTHORIZE DISCUSSIONS WITH BLACKLAKE COMMUNITY

Bruce Buel, General Manager, reviewed the directive given to Bob Reed, Rate Consultant. The directive was to prepare a "tip point" analysis to determine if rates would be higher for either division with our without the merger. Mr. Reed's analysis determined that rates for both divisions would be lower with a merger. Economy of scale and the avoidance of rebuilding the Blacklake booster station are advantageous to both divisions. Mr. Reed stated that since his analysis did not show a rate increase he didn't look at the surcharge. Mr. Reed stated that the delivery of supplemental water was added to the analysis and he used estimates for delivery in year 2011.

Director Eby confirmed that the Reed Report did not reflect his proposal in the staff report. Director Eby stated the current operating reserves per account at Blacklake is 4% and should be 15%. If the two systems were combined the reserves should be brought up to 15% which is about \$182,000 surcharge.

Director Harrison asked if Director Eby took Fund 700 into account. Director Eby said no.

Director Winn asked about the \$4.8M in Fund 700 (Capacity Charges) and how the money could be used in the merged system. Would there be no restrictions?

Bill Petrick, NCS D resident, agrees with Mr. Reed that no surcharge is required, but he is worried about the basis for future rates including factors such as water conservation, supplemental water and cost controls.

Ian Wallace, NCS D resident, stated if Board should proceed, he has lingering concerns about undisclosed costs in the Town system. He would like Staff and the President to state to the best of their knowledge that there are no undisclosed items.

Director Vierheilg suggested Mr. Wallace review the Water and Sewer Master Plan. Mr. Buel stated that the Master Plan is a blueprint, however, there are always unknowns. The new Title 22 regulations are not incorporated into the adopted Water and Sewer Master Plan. The system is dynamic. Mr. Buel stated that there are "no gorillas or elephants in the closet". Mr. Buel also stated that the "tip point" analysis was not was for rate setting. If the merger proceeds, then a new financial plan with more detail would need to be commissioned.

Director Eby would like the reserves to be equalized. This would equate to \$297 per customer or \$5.81 bi-monthly and does not include Fund 700. He believes this would be equitable for both Divisions.

Nipomo Community Services District
DRAFT MINUTES
Meeting Notes

Director Winn stated:

- The Reed Report did exactly what was asked
- A reduction in rates would occur
- Agrees with Director Eby that some basic equity in reserves makes sense.
- Struggles with \$4.8M in Fund 700 and believes that this would be a donation of 15% of \$4.8M to Blacklake to make them happy
- His home built 20 years ago donated to Fund 700 and those funds have been spent
- Would like another way to look at Fund 700
- Form Ad Hoc Committee to review issues with Blacklake
- Misty Glen and Augusta/Pomeroy need interties that would benefit Blacklake only and should be paid for by Blacklake
- Well #3 need refurbishing and the tank needs cleaning and coating, but would benefit the merged system and could be paid for 15% by Blacklake and 85% by Town
- This would be about \$400 per account for Blacklake

Director Vierheilg stated Fund 700 was paid by developers and ultimately the buyers of those homes. Blacklake had a Fund 700 and was used to fund Sundale and there are no opportunities to collect Fund 700 fees from Blacklake.

Upon the motion of Director Eby and seconded by Director Harrison, the Board unanimously agreed to form an Ad Hoc Committee to interact with Blacklake to look at a reserve equity charge, examine issues of Fund 700, review issues discussed at today's meeting and bring back options to the Board. Vote 4-0

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

President Winn appointed Director Harrison and himself to the Ad Hoc Committee.

03:08:00

President Winn stated that Item E-4 would be heard at approximately 1:00 p.m.

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following to be discussed 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 VS. NCSD ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION)

**Nipomo Community Services District
DRAFT MINUTES
Meeting Notes**

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS
There was no public comment.

K. ADJOURN TO CLOSED SESSION
The Board adjourned to Closed Session at 12:19 p.m.

L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION
The Board returned at 1:20 p.m.
Jon Seitz, District Legal Counsel, reported that no reportable action was taken.

03:08:37

E-4) ACCEPT FY 07-08 AUDIT

Bruce Buel, General Manager, introduced the item and stated the Finance and Audit Committee had met with the Auditor on September 26, 2008. Mr. Bob Crosby, CPA presented the audit report and answered questions from the Board. Mr. Winn stated he did not like staff's recommendation to accept and file the report. Mr. Buel stated that Mr. Crosby is giving his opinion on the report and the Board of Directors is asked to accept his opinion.

Bill Petrick, NCS D resident, read a list of six concerns suggesting the audit fails to assist the reader in identifying significant financial issues.

Mr. Crosby, CPA stated the bulk of his report is technical in nature and in accordance with governmental standards. Mr. Cosby does perform analytical review as part of his work. The Management Discussion and Analysis is presented by staff as an overview for the public and is not intended to address items in detail.

Director Vierheilg pointed out the operating loss and stated the District should not rely on other revenues.

Upon motion of Director Harrison and seconded by Director Eby, the Board unanimously agreed to accept and file the FY 07-08 audit report. Vote 4-0.

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

03:38:00

F. MANAGER'S REPORT

Bruce Buel, General Manager, presented the Manager's Report as printed in the Board packet. In addition, the October 20 SWP Committee Meeting has been canceled. The Landscape Maintenance District meeting was held the prior evening. The homeowners would prefer to keep the grass and spend funds on installing controllers and other technology to save water. The sea train has been delivered (included in the 08-09 budget).

03:42:00

G. COMMITTEE REPORT

1. 9/26/08 Finance and Audit Committee Meeting

The SWP Committee meeting planned for October 20, 2008, has been canceled. A Water Conservation Committee meeting is planned for October 17, 2008.

03:43:00

H. DIRECTOR REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

- Would like a follow up report on the Clean Up Week from South County Sanitary
- Would like a follow up report on Creek Day
- The County will be holding two kinds of meetings to introduce a full range of planning. The first meeting will be held on October 10, 2008 at the SLO Library from 8:30 – 10:30. The topic is Strategic Growth (formerly known as Smart Growth)
- October 14, 2008 the Board of Supervisors will be meeting at 1:00 p.m. at Grace Church in SLO to discuss the state budget
- October 14, 2008, the Board of Supervisors will hold a hearing on Title 9 regarding on-site waste treatment regulations
- NCSD office will be closed on November 10 and 11 for fumigation.

Director Harrison


- Asked about clean up efforts on Live Oak Ridge Right of Way-Director Winn stated there is a an effort being organized

The meeting was adjourned at 2:05 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS OCT. 22, 2008.

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Comments on Draft County Bio-Solids Ordinance
- Conversion of Sundale Well from natural Gas to Electric

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL 
 DATE: OCTOBER 17, 2008

AGENDA ITEM
D-4
OCTOBER 22, 2008

INVESTMENT POLICY –THIRD QUARTER REPORT

BACKGROUND

The Board of Directors has adopted an Investment Policy for NCSD which states that the Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the Board of Directors.

Below is the September 30, 2008, Quarterly Report for your review. As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2008 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

INVESTMENT POLICY-THIRD QUARTER REPORT 9/30/08

Investment	Institution	Amount of Deposit <u>9/30/08</u>	Rate of Interest	Quarterly Interest Earned or Accrued 9/30/08	Amount of Deposit <u>9/30/07</u>	Rate of Interest	Quarterly Interest Earned or Accrued 9/30/07
Money Market	Rabobank	\$89,050.64	0.10%	\$39.73	\$140,411.96	0.19%	\$14.18
Savings	Rabobank	\$924.18	0.25%	\$0.61	\$920.71	0.92%	\$2.25
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$22,103,731.38	2.77%	\$154,085.44	\$19,234,505.27	5.24%	\$254,698.27
Certificate of Deposit	Rabobank	\$2,019,463.31	2.40%	\$4,382.80	\$1,959,503.13	4.50%	\$7,320.68

RECOMMENDATION

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and minute order.

ATTACHMENT

None

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: October 15, 2008

**AGENDA ITEM
D-5
OCTOBER 22, 2008**

ACCEPT EASEMENTS AND WATER AND SEWER IMPROVEMENTS
TRACT 1747 PHASE 2 (CARRIAGE HOMES)

ITEM

Accept easements and water and sewer improvements for TRACT 1747 Phase 2 (Carriage Homes) on Chestnut Street [ADOPT RESOLUTION].

BACKGROUND

Upon completion of a developer's project, the District accepts improvements of the project after all requirements have been met. The developer (Carriage Homes) for Tract 1747 Phase 2 (Lots 110 through 152), a forty-three (43) unit single family residential development located on Chester Street, has offered for dedication the attached easement for the water and sewer system; has installed the water and sewer system to District Standards; and has met the District's standard conditions:

- Installed the improvements
- Paid associated fees
- Provided the necessary paperwork, including the Offer of Dedication and the Engineer's Certification

RECOMMENDATION

Staff recommends that your Honorable Board approve Resolution 2008-XXXX Accept Tract 1747 Phase 2, accepting the offered water and sewer system easement and the water and sewer system improvements for Tract 1747 Phase 2.

ATTACHMENTS

Resolution 2008-XXXX Accept Tract 1747 Phase 2
Tract 1747 Phase 2 Overview Map
Easement and Agreement Affecting Real Property dated October 2, 2008

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING EASEMENT AND THE WATER AND SEWER IMPROVEMENTS
FOR TRACT 1747 PHASE 2 (CARRIAGE HOMES)**

WHEREAS, the District approved the construction plans on April 2, 2002, for the water and sewer improvements to be constructed; and

WHEREAS, the water and sewer improvements have been constructed and said improvements are complete and certified by the Owner's Engineer; and

WHEREAS, on October 2, 2008, the Owner offered the water and sewer improvements to the Nipomo Community Services District; and

WHEREAS, the Owner offered the attached easement to the Nipomo Community Services District; and

WHEREAS, this District has accepted such offer without obligation except as required by law; and

WHEREAS, all water and sewer fees for service, required in conformance with District ordinances, have been paid in full for Tract 1747 Phase 2 (Carriage Homes).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. That the water and sewer improvements to serve Tract 1747 Phase 2 in Nipomo are accepted by this District.
2. That the attached easement, dated October 2, 2008, is hereby accepted and staff is ordered to record the attached easement.

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

AYES:

NOES:

ABSENT:

CONFLICT:

the foregoing resolution is hereby adopted this 22nd day of October, 2008.

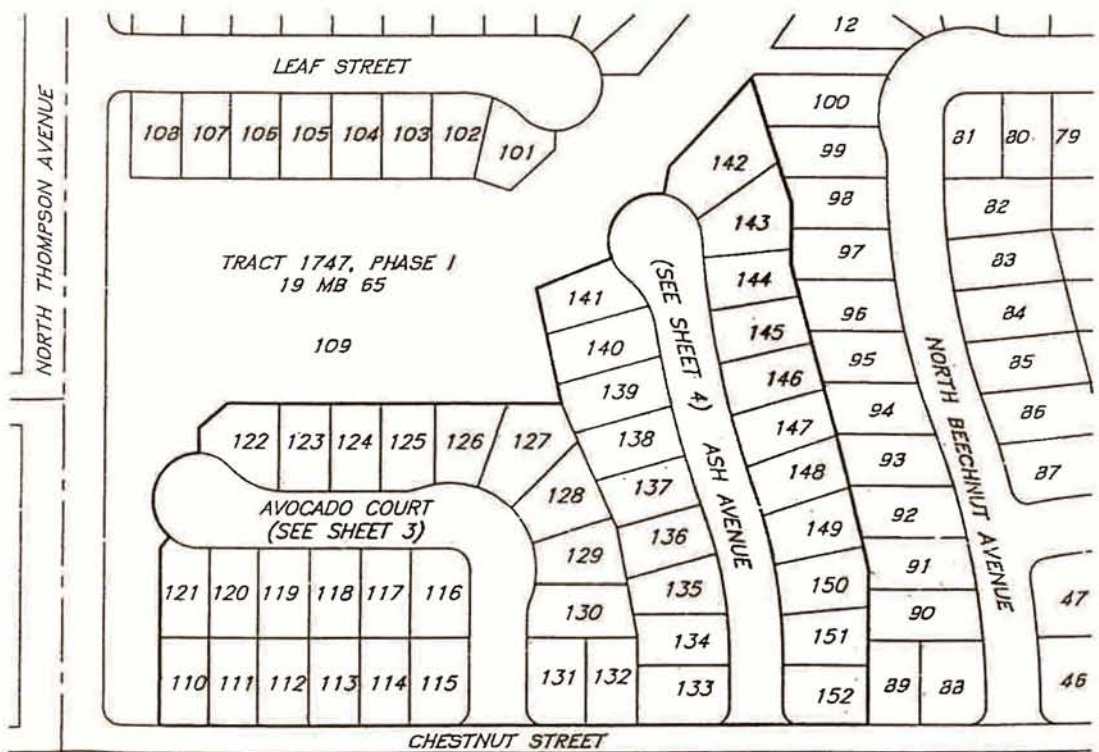
Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel



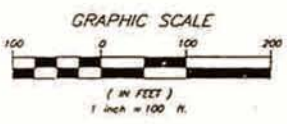
BLOCK 3

BASIS OF BEARINGS
 THE BASIS OF BEARINGS USED FOR THIS MAP IS THE NORTHWEST CORNER OF CHESTNUT STREET BETWEEN FILING MONUMENTS, THAT BEARING BEING MATTER 24°E PER R-1

BLOCK 9

FAIRVIEW TRACT
 A MB 88

REFERENCES
 R-1 19 MB 65
 R-2 CERTIFICATE OF CORRECTION INSTRUMENT No. 2002-08883



INDEX MAP

TRACT NO. 1747
PHASE II

BEING A SUBDIVISION OF REMAINDER LOT OF TRACT 1747, PHASE I, AS SHOWN ON MAP FILED IN BOOK 18, PAGE 55 OF MAPS, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

PREPARED AT THE REQUEST OF CARRIAGE HOMES
 PREPARED BY:
MORELAND CONSULTING INC.
 5301 OFFICE PARK DR., SUITE 125, BAKERSFIELD, CA. 93309
 (805) 327-3043
 APRIL 2004 04-108 SHEET 2 OF 4 SHEETS

RECORDING REQUESTED BY:
Nipomo Community Services District

WHEN RECORDED RETURN TO:
Nipomo Community Services District
P. O. Box 326
Nipomo, CA 93444

Tract 1747 Phase
II

EASEMENT AND AGREEMENT AFFECTING REAL PROPERTY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
CARRIAGE HOMES, A CALIFORNIA CORP.
referred to hereinafter as "Owner(s) or Grantor(s)", hereby grants to the NIPOMO
COMMUNITY SERVICES DISTRICT, referred to hereinafter as "District", a utility
easement herein "Easement or Easement Area" over and under the below
described private streets:

AVOCADO COURT, ASH AVENUE

AS SHOWN ON FINAL MAP FOR TRACT 1747 Phase II

The location of the easement is further described in the drawing attached
hereto as Exhibit "A."

The Easement granted herein shall be subject to the following:

PURPOSE

The purpose of the Easement is the present and future construction,
reconstruction, operation, repair, and maintenance of District facilities, including
sewer pipelines, water pipelines, and other utilities operated by the District, from
and after said utilities are dedicated and accepted by the District (herein "District
Facilities"), in such manner and size and with such accessory parts and
structures, as the District or its successors in interests from time to time deem
necessary.

MAINTENANCE AND REPAIR OF DISTRICT FACILITIES

The District's obligation for maintenance and repair of the Easement Area is limited to that portion of the Easement that is affected by the District reconstruction, operation, repair and maintenance of District Facilities.

MISCELLANEOUS

A. The Easement granted herein shall run with the land and be binding on the successors and assigns of the Grantor(s) and shall inure to the benefit of the District and its successors and assigns.

B. This Easement shall be governed by the laws of the State of California. Any litigation regarding the Easement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

C. This Easement shall be recorded in the Official Records of the County Recorder's Office, San Luis Obispo County.

D. In the event of any controversy or claims relating to this Easement or breach thereof the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

AUTHORITY TO EXECUTE.

All parties to this Easement warrant and represent that they have the power and authority to grant and accept this Easement and its terms and conditions in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order grant this Easement have been fully complied with. Furthermore, by granting this Easement, Grantor(s) hereby warrants that Grantor(s) shall not have breached the terms or conditions of any other contract or Easement to which Grantor(s) is obligated, which breach would have a material effect hereon.

IN WITNESS WHEREOF, the Grantor(s) hereto have executed this Easement on October 2, 2008.

GRANTOR(S): Carriage Homes, a California Corporation

Wayne Lee Vaughn Jr.
[Signature must be Notarized]

Sharon S. Vaughn
[Signature must be Notarized]

Wayne Lee Vaughn Jr.
[Print Name]

Sharon S. Vaughn
[Print Name]

Date: 10/02/08

Date: 10/02/08

**CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE §2781**

This is to certify that the Nipomo Community Services District, Grantee, herein, by Board action on _____, 2008, accepts for public purposes the real property, or interest described in the foregoing Easement and Agreement, dated _____, 2008, from Grantors, and consents to the recordation thereof.

Nipomo Community Services District

By: _____
Name: Michael Winn
Title: President,
Nipomo Community Services District
Board of Directors

ATTEST:

Donna K. Johnson, Secretary
Nipomo Community Services District
Board of Directors

Dated : October 2, 2008

STATE OF CALIFORNIA)
COUNTY OF Kern)

On 10-2-2008 before me, Priscilla Oppen, Notary

Public, personally appeared
Wayne Lee Vaughn, Jr and Sharon Joanne Vaughn

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.



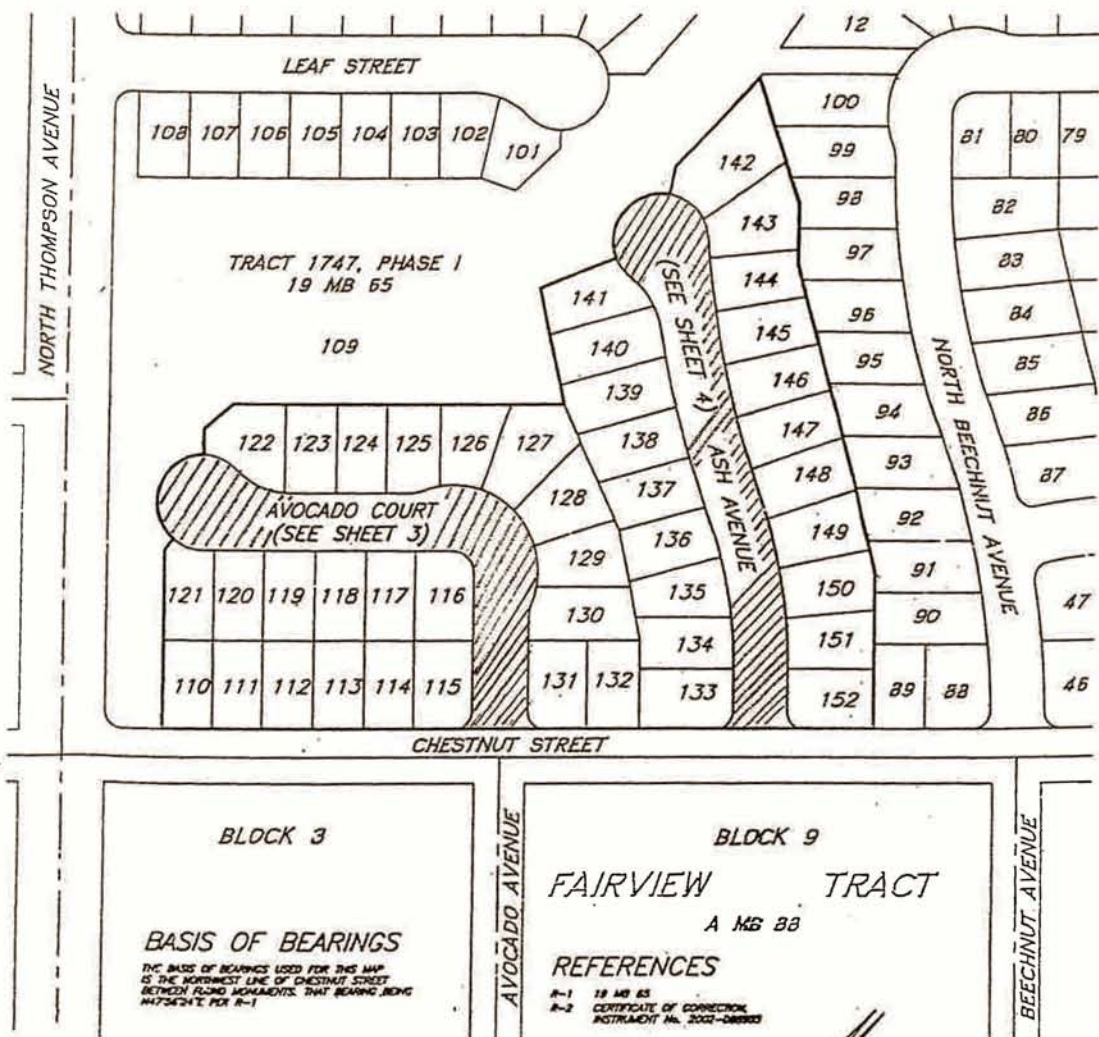
Signature Priscilla Oppen (Seal)

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE.

Name _____ Street Address _____ City & State _____

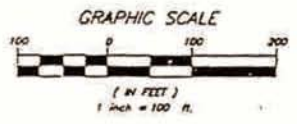
EXHIBIT "A"

DENOTES STREET EASEMENTS



BASIS OF BEARINGS
 THE BASIS OF BEARINGS USED FOR THIS MAP IS THE NORTHWEST LINE OF CHESTNUT STREET BETWEEN PLUMB MONUMENTS THAT BEARING BEING HORIZONTAL FOR R-1

REFERENCES
 R-1 19 MB 65
 R-2 CERTIFICATE OF CORRECTION INSTRUMENT No. 2002-08880



INDEX MAP

Copy of document found at www.NoNewWipTax.com

**TRACT NO. 1747
PHASE II**

BEING A SUBDIVISION OF REMAINDER LOT OF TRACT 1747, PHASE I AS SHOWN ON MAP FILED IN BOOK 19, PAGE 65 OF MAPS, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

PREPARED AT THE REQUEST OF CARRIAGE HOMES
 PREPARED BY:
MORELAND CONSULTING INC.
 5301 OFFICE PARK DR., SUITE 125, BAYERSFIELD, CA. 93309
 (861) 327-5043
 APRIL 2004 04-106 SHEET 2 OF 4 SHEETS

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: October 16, 2008



ACCEPT WATER IMPROVEMENTS
CO 05-0113 EVERGREEN WAY (DAVID)

ITEM

Accept water improvements for CO 05-0113, Evergreen Way (David) [ADOPT RESOLUTION].

BACKGROUND

Upon completion of a developer's project, the District accepts improvements of the project after all requirements have been met. The developer (James and Nancy David) for CO 05-0113, a 3 lot single family residential development located on Evergreen Way, has installed the water system to District Standards and has met the District's standard conditions:

- Installed the improvements
- Paid associated fees
- Provided the necessary paperwork, including the Offer of Dedication and the Engineer's Certification

RECOMMENDATION

Staff recommends that your Honorable Board approve Resolution 2008-XXXX Accept CO 05-0113, accepting the offered water system improvements for CO 05-0113, Evergreen Way.

ATTACHMENTS

Resolution 2008-XXXX Accept CO 05-0113
Utility Plan

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING WATER IMPROVEMENTS FOR CO 05-0113 (DAVID)**

WHEREAS, the District approved the construction plans on August 9, 2007, for the water improvements to be constructed; and

WHEREAS, the water improvements have been constructed and said improvements are complete and certified by the Owners' Engineer; and

WHEREAS, on July 7, 2008, the Owner offered the water improvements to the Nipomo Community Services District; and

WHEREAS, this District has accepted such offer without obligation except as required by law; and

WHEREAS, all water fees for service, required in conformance with District ordinances, have been paid in full for CO 05-0113 (David).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

That the water improvements to serve CO 05-0113 in Nipomo are accepted by this District.

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

AYES:

NOES:

ABSENT:

CONFLICT:

the foregoing resolution is hereby adopted this 22nd day of October, 2008.

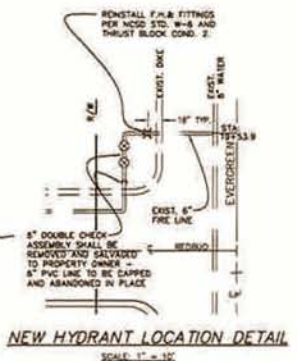
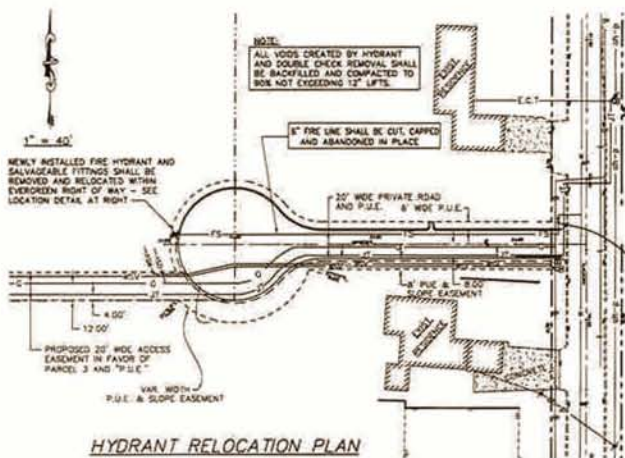
Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel



SUPPLEMENTAL AS-BUILT SHEET HYDRANT RELOCATION PLAN

RECORD DRAWING
DATE: _____ CK BY: _____

TARTAGLIA ENGINEERING			
UTILITY PLAN & MISC. DETAILS			
T.P.M. NO CO 05-0113			
DESIGN/DATE	COUNTY PLAN CHECK	APPROVED FOR COUNTY RECORDS	
SAX		LEE J. KAMME (SEAL)	DATE
JOB NO.	COUNTY P.L. NO.	SCALE	DATE
05-08	201811-1481	1/4" = 1'	08/23/08
CALIFORNIA COORDINATES		SHEET # 38	
N 566	E 1240		

REV.	DESCRIPTION	DATE	APP.
1	AS-BUILT	8/2008	SAX

TARTAGLIA ENGINEERING
CIVIL ENGINEERS
 2200 W. HARRIS STREET
 SUITE 200
 WEST VALLEY CITY, UT 84086
JAMES DAVID

SCALE	DATE
AS SHOWN	08/23/08
DATE	08/23/08
SHEET	38 OF 40

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BdB*
DATE: OCTOBER 17, 2008



REQUEST TO CPUC RE GSWC TIERED RATES

ITEM

Authorize submittal of letter to CPUC supporting proposed revision of Golden State Water Company's (GSWC) Rate Structure [RECOMMEND APPROVAL].

BACKGROUND

GSWC has applied to the CPUC to convert their existing uniform commodity rate structure into a multi-tiered water rate structure. Attached is a draft letter of support to the CPUC regarding GSWC's request.

RECOMMENDATION

Staff recommends that the Board authorize the Board President to sign and submit the attached letter. Staff further requests authority to participate in a CPUC hearing on this matter in support of the tiered rate proposal.

ATTACHMENTS

- Draft letter

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\GWC Tiered Rates.DOC

Oct. 23, 2008

Judge Jonathan Lakritz
Administrative Law Judge Division
505 Van Ness Ave., Room 2251
San Francisco CA 94102 3298

SUBJECT: Letter of Support for Changes in Ratesetting Mechanisms and Reallocation of Rates (Tiered Rates), Golden State Water Company, Region 1, Santa Maria Customer Service Area, General Rate Case Application #08-09-010

Honorable Judge Lakritz:

It is our understanding that Golden State Water Company (GSWC) has submitted an application to implement a tiered rate design to encourage water conservation for its Santa Maria Service Area (Application #08-09-010).

Golden State Water Company is actively involved with local government officials in the preparation of a master water plan for our region, including the Nipomo Service Area, part of GSWC's Santa Maria Customer Service Area. One of the major components of the plan is to address water supply issues to ensure a firm capacity for customers.

The NCSD Board of Directors has reviewed the company's application for tiered rates for the Santa Maria Customer Service Area and we support GSWC's recommendations for a three-tiered rate structure for the following reasons:

- The new rate design, if approved, would promote water conservation by resulting in monthly bill reductions for low usage customers and monthly bill increases for high use customers.
- The three-tiered rate design will financially encourage customers to use less water by charging them more per unit of water (CCF) for usage above the first tier, and an additional increase per unit of water above the second tier.

- Due to the existing water supply situation statewide, a three-tiered approach is preferred over a two-tiered approach because it is more aggressive.
- Golden State Water Company will not profit as a result of the new structure. It is designed to be revenue neutral.
- Lower monthly service charges for residential and nonresidential customers will result in a higher percentage of the bill being based on water consumption, thus giving customers more control of their bill.
- Tiered rates implemented by other water providers have been shown to be effective to encourage conservation.

The NCSB Board of Directors would like to express support for this application and a preference for three-tiered rates. Thank you for the opportunity to provide our comments on the application.

Sincerely,

Michael Winn, President
NCSB Board of Directors

cc: Victor Chan, P.E.
California Public Utilities Commission
Division of Ratepayer Advocates
320 West 4th Street, Suite 500
Los Angeles, CA 90013

GSWC

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: OCTOBER 17, 2008

AGENDA ITEM
D-8
OCTOBER 22, 2008

REVISE 2008 COMMITTEE ASSIGNMENTS

ITEM

Revise 2008 Board Member Assignments to Supplemental Water Committee [RECOMMEND APPROVAL].

BACKGROUND

Currently there is no alternate to the Supplemental Water Committee and the October 20th Meeting was cancelled due to lack of a quorum (for good cause). Jim Harrison is willing to serve as the second member with Ed Eby as Chair through the end of 2008. This arrangement would be reviewed in 2009 when new committee assignments are formalized.

RECOMMENDATION

Staff recommends that the Board appoint Jim Harrison as the second member of the Supplemental Water Project Committee for the balance of 2008 with Cliff Trotter as the alternate.

ATTACHMENTS

- None

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\SWP Committee Assignments.DOC