

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: DECEMBER 5, 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 11/26/08 Regular Meeting
- D-3) CONFIRM CANCELLATION OF 12/24/08 MEETING [RECOMMEND APPROVAL]
- D-4) RATIFY STAFF'S RESPONSES TO LAFCO SPHERE OF INFLUENCE QUESTIONNAIRE [AUTHORIZE SUBMITTAL]
- D-5) AMEND PERSONNEL POLICY DESIGNATING CERTAIN POSITIONS WITH SENSITIVE POSITION DESIGNATION [ADOPT RESOLUTION]
- D-6) ADOPT AGREEMENT WITH COUNTY REVISING ZONE 1A SEWER CONTRIBUTION CAPACITY RE LATHROP DEVELOPMENT [RECOMMEND APPROVAL]
- D-7) AUTHORIZE NEGOTIATION OF AGREEMENT WITH COUNTY OF SAN LUIS OBISPO REGARDING APPLICATION FOR STATE GRANT FUNDING FOR WATERLINE INTERTIE PROJECT [AUTHORIZE NEGOTIATION]
- D-8) AUTHORIZE ADDITIONAL HIGH EFFICIENCY WASHER REBATES [RECOMMEND APPROVAL]

TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: DECEMBER 5, 2008

**AGENDA ITEM
 D-1
 DECEMBER 10, 2008**

**TOTAL COMPUTER
 CHECKS
 \$ 211,877.69**

HAND WRITTEN CHECKS

11-24-08	19844	E EBY	100.00
11-24-08	19845	C TROTTER	100.00
11-24-08	19847	ST WATER RESOURCES	95.00
11-25-08	19848	P G & E	53,197.99
12-01-08	19849	M WINN	100.00
12-01-08	19850	J HARRISON	100.00
12-01-08	19851	S KOZAK	625.25
VOID			
19846			

COMPUTER GENERATED CHECKS

15795	11/28/08	EMP01	EMPLOYMENT DEVELOP DEPT	906.55	.00	906.55	A81124	STATE INCOME TAX
15796	11/28/08	MID01	MIDSTATE BANK-PR TAX DEP	3203.26	.00	3203.26	A81124	FEDERAL INCOME TAX
				896.90	.00	896.90	1A81124	MEDICARE (FICA)
			Check Total.....:	4100.16	.00	4100.16		
15797	11/28/08	MID02	MIDSTATE BANK - DIRECT DP	24392.23	.00	24392.23	A81124	NET PAY
15798	11/28/08	PER01	PERS RETIREMENT	7885.04	.00	7885.04	A81124	PERS PAYROLL REMITTANCE
15799	11/28/08	STA01	STATE STREET GLOBAL	1380.00	.00	1380.00	A81124	457 DEFERRED COMP
015800	11/28/08	CAL15	CALIFORNIA URBAN WATER CO	1035.09	.00	1035.09	34515	HEW REBATES
015801	11/28/08	FED01	FED EX	16.83	.00	16.83	299854249	DELIVERY
015802	11/28/08	GRO01	GROENIGER & CO	1305.24	.00	1305.24	11005626	SUPPLIES
015803	11/28/08	NEX01	NEXTEL COMMUNICATIONS	320.06	.00	320.06	87314084	CELL PHONES
015804	11/28/08	PGE01	P G & E	53197.99	.00	53197.99	111708	ELECTRICITY
015805	12/10/08	ABA01	ABALONE COAST BACTERIOLOG	20.00	.00	20.00	08-2358	BL WWTF LAB
				120.00	.00	120.00	08-2359	WATER SAMPLES
				176.00	.00	176.00	08-2370	TOWN WWTF LAB
				20.00	.00	20.00	08-2371	BL WWTF LAB
				20.00	.00	20.00	08-2381	BL WWTF LAB
				20.00	.00	20.00	08-2393	BL WWTF LAB
				120.00	.00	120.00	08-2408	WATER SAMPLES
				20.00	.00	20.00	08-2409	BL WWTF LAB
				20.00	.00	20.00	08-2416	BL WWTF LAB
				176.00	.00	176.00	08-2417	TOWN WTF LAB
				20.00	.00	20.00	08-2425	BL WWTF LAB
				20.00	.00	20.00	08-2439	BL WWTF LAB
				20.00	.00	20.00	08-2455	BL WWTF LAB
				20.00	.00	20.00	08-2471	BL WWTF LAB
				120.00	.00	120.00	08-2472	WATER SAMPLES
				20.00	.00	20.00	08-2483	BL WWTF LAB
			Check Total.....:	932.00	.00	932.00		
015806	12/10/08	ADV01	ADVANTAGE ANSWERING PLUS	23.99	.00	23.99	100231	ANSWERING SERVICE
015807	12/10/08	ALX01	ALEXANDER'S CONTRACT SERV	2216.60	.00	2216.60	112508	METER READING SERVICE
015808	12/10/08	AME02	AMERICAN INDUSTRIAL SUPPL	64.25	.00	64.25	190882	SUPPLIES
015809	12/10/08	AME03	AMERI PRIDE	117.15	.00	117.15	F635887	UNIFORMS ETC
				118.21	.00	118.21	F641441	UNIFORMS ETC
			Check Total.....:	235.36	.00	235.36		
015810	12/10/08	AME08	AMERICAN SOCIETY OF CIVIL	250.00	.00	250.00	010109	2009 MEMBERSIP RENEWAL
015811	12/10/08	ATT01	AT&T/MCI	217.57	.00	217.57	344640	PHONE
				31.57	.00	31.57	344893	PHONE
				153.86	.00	153.86	344964	PHONE
			Check Total.....:	403.00	.00	403.00		

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS DECEMBER 5, 2008**

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015812	12/10/08	BEN02	BENTLEY SYSTEMS, INC.	1740.90	.00	1740.90	47206385	WATER & SEWER GEMS SUBS
015813	12/10/08	BEN03	BENJAMIN FRANKLIN PLUMBING	620.00	.00	620.00	116784	WATER HEATER FOR LAB
015814	12/10/08	BRI01	BRISCO'S	122.26	.00	122.26	139507+	SUPPLIES
015815	12/10/08	BUE01	BUEL, BRUCE	90.00	.00	90.00	112408	REIMB FOR SLO CSDA MTG
015816	12/10/08	CAL15	CALIFORNIA URBAN WATER CO	133.56	.00	133.56	34548	REBATES
015817	12/10/08	CAL16	CALPERS	28250.00	.00	28250.00	A81204	OPEB PRE FUNDING-QUARTERL
015818	12/10/08	CAN02	CANNON ASSOCIATES	3995.91	.00	3995.91	45042	ADD LS LEVEL ALARMS TO IP
				1044.70	.00	1044.70	45043	WOODGREEN TRANSDUCER REPL
				1182.50	.00	1182.50	45044	MARIA VISTA ANTENNA
				1091.81	.00	1091.81	45045	MARIA VISTA LEVEL TRANSDU
				3651.31	.00	3651.31	45046	ACCESS POINT AT QUAD TANKS
				702.50	.00	702.50	45047	OFFICE SCADA RADIO ENCLOS
				1395.00	.00	1395.00	45048	LA MIRADA LS
				820.00	.00	820.00	45049	MARIA VISTA ALARMS
				805.00	.00	805.00	45051	SOUTHLAND LS TRANSDUCER I
				3610.00	.00	3610.00	45052	LIFT STATION CONTROL PANE
				7682.50	.00	7682.50	45053	SCADA SOFTWARE UPGRADE
			Check Total.....:	25981.23	.00	25981.23		
015819	12/10/08	CAP01	CAPMARK FINANCE INC	3000.00	.00	3000.00	111708	DEBT SERVICE INT EUREKA
015820	12/10/08	CAR04	CAR QUEST AUTO PARTS	332.17	.00	332.17	292090	SUPPLIES
				173.47	.00	173.47	292391	SUPPLIES
			Check Total.....:	505.64	.00	505.64		
015821	12/10/08	CHE01	CHEVRON & TEXACO BUSINESS	2130.52	.00	2130.52	526008	GASOLINE
015822	12/10/08	CLA02	CLAY'S SEPTIC & JETTING	437.50	.00	437.50	37771	JETTING PHOEBE & BLUME
015823	12/10/08	COA02	COASTAL ROLLOFF	303.41	.00	303.41	44858	SHOP TRASH REMOVAL
015824	12/10/08	EBY01	EBY, ED	100.00	.00	100.00	121008	REG BD MEETING 121008
015825	12/10/08	FAR01	FARM SUPPLY COMPANY	156.09	.00	156.09	848270	SUPPLIES
015826	12/10/08	FAR02	FAR WEST EXPRESS	24.00	.00	24.00	E14489+	DELIVERY
015827	12/10/08	FER01	FERGUSON ENTERPRISES INC	44.40	.00	44.40	1575172	SUPPLIES
015828	12/10/08	FGL01	FGL ENVIRONMENTAL	352.00	.00	352.00	811117A	BL WWTF LAB
				450.00	.00	450.00	811958A	WATER SAMPLES
				254.00	.00	254.00	812162A	TOWN WWTF LAB
			Check Total.....:	1056.00	.00	1056.00		
015829	12/10/08	FIR01	FIRST AMERICAN CORELOGIC,	1550.00	.00	1550.00	103108	APN MAPS AND OWNER INFO
015830	12/10/08	GAS02	GAS COMPANY, THE	31.85	.00	31.85	112008	OFFICE HEAT 06235160949
				11.97	.00	11.97	112108	SHOP OFFICE HEAT
			Check Total.....:	43.82	.00	43.82		
015831	12/10/08	GIL01	GLM, INC.	320.00	.00	320.00	112608A	OFFICE LANDSCAPE
				110.00	.00	110.00	112608BL3	BL LANDSCAPE
			Check Total.....:	430.00	.00	430.00		
015832	12/10/08	GWA01	GWA INC	85.00	.00	85.00	8110206	ALARM REPORTS
				53.00	.00	53.00	81100640	ALARM REPORTS
				85.00	.00	85.00	81102107	ALARM REPORT
			Check Total.....:	223.00	.00	223.00		
015833	12/10/08	HAC01	HACH COMPANY	1240.77	.00	1240.77	5998577	POCKET CLRMTRS
015834	12/10/08	HAR02	HARRISON, JAMES	100.00	.00	100.00	121008	REG BD MEETING 121008
015835	12/10/08	JAC01	JACK'S REPAIR & SALES	106.31	.00	106.31	556376	REPAIR BLOWER
015836	12/10/08	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	43259	LANDSAPE MAINT FOR TR 240
015837	12/10/08	MAI02	MAINLINE UTILITY COMPANY	450.00	.00	450.00	4172	VIDEO INSPECTION LA MIRAD
015838	12/10/08	NIP01	NIPOMO HARDWARE	77.28	.00	77.28	113008	SUPPLIES
015839	12/10/08	OFF01	OFFICE DEPOT	109.72	.00	109.72	453667843	SUPPLIES
015840	12/10/08	ONE01	1-800-CONFERENCE	176.09	.00	176.09	613005	CONFERENCE CALL
015841	12/10/08	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	181	JANITORIAL SERVICE NOVEMB
015842	12/10/08	QUI01	QUILL CORPORATION	67.55	.00	67.55	2724611	SUPPLIES

**NIPOMO COMMUNITY SERVICES DISTRICT
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015843	12/10/08	QUI03	QUINN RENTAL SERVICES	3808.97	.00	3808.97	1199076	DOZER RENTAL
				114.60	.00	114.60	31322982	CHAIN SAW REPAIR
				-625.75	.00	-625.75	1199076-2C	CREDIT DOZER CHARGES
			Check Total.....:	3297.82	.00	3297.82		
015844	12/10/08	RAB01	RABOBANK	16.99	.00	16.99	A81205	SUPPLIES
				16.69	.00	16.69	120508A	POSTAGE
				22.01	.00	22.01	120508B	SUPPLIES
				128.72	.00	128.72	120508C	BD MEETING SUPPLIES
			Check Total.....:	184.41	.00	184.41		
015845	12/10/08	RIC01	RICHARDS, WATSON, GERSHON	1135.06	.00	1135.06	161851	WATER RIGHTS ADJUDICATION
015846	12/10/08	SAN04	SANTA MARIA TIMES	589.44	.00	589.44	1040824	CONSERVATION ADS
015847	12/10/08	SCO01	SCOTT O'BRIEN FIRE & SAFE	320.00	.00	320.00	21296	FIRE EXT SERV & TRAINING
015848	12/10/08	SHI01	SHIPSEY & SEITZ, INC	8429.50	.00	8429.50	111508	LEGAL SERVICES
015849	12/10/08	SOU01	SOUTH COUNTY SANITARY	34.92	.00	34.92	2384964	TRASH COLLECTION
				169.12	.00	169.12	2386493	OLDE TOWNE TRASH COLLEATIO
			Check Total.....:	204.04	.00	204.04		
015850	12/10/08	SOU03	SOUTH COUNTY SANITARY	1184.66	.00	1184.66	NOVEMBER	SOLID WASTE TAX LIENS
015851	12/10/08	STA03	STATEWIDE SAFETY & SIGNS	39.90	.00	39.90	66578	MARKING PAINT
015852	12/10/08	STA07	SRF ACCOUNTING OFFICE	2759.00	.00	2759.00	0813377	TOWN WWTP PERMIT
				2759.00	.00	2759.00	0813471	BL WWTP PERMIT
				1226.00	.00	1226.00	0813726	BL SSO PERMIT
				1226.00	.00	1226.00	0813727	SOUTHLAND SSO PERMIT
			Check Total.....:	7970.00	.00	7970.00		
015853	12/10/08	TAF01	TAFT ELECTRIC	193.72	.00	193.72	30382FF	ELEC MAINT LA MIRADA LS
015854	12/10/08	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	121008	REG BD MEETING 121008
015855	12/10/08	UND01	UNDERGROUND SERVICE ALERT	130.50	.00	130.50	80110038	NOTIFICATION SERVICE
015856	12/10/08	USB01	US BANK TRUST	1787.96	.00	1787.96	112408A	OPERATING SUPPLIES 1110
				250.48	.00	250.48	112408B	OFFICE SUPPLIES
				731.23	.00	731.23	112408C	COMPUTER EXPENSE
				294.55	.00	294.55	112408D	BD MEETING SUPPLIES
				285.04	.00	285.04	112408E	CONSERVATION SUPPLIES & C
			Check Total.....:	3349.26	.00	3349.26		
015857	12/10/08	VER01	VERIZON	39.03	.00	39.03	111908A	BL PHONE
				39.03	.00	39.03	111908B	BL PHONE
			Check Total.....:	78.06	.00	78.06		
015858	12/10/08	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	121008	REG BD MEETING 121008
015859	12/10/08	WIN01	WINN, MICHAEL	100.00	.00	100.00	121008	REG BD MEETING 121008
015860	12/10/08	WOO01	DOUGLAS WOOD & ASSOCIATES	10251.58	.00	10251.58	8	WATERLINE INTERTIE EIR
				4025.00	.00	4025.00	120108	SOUTHLAND WWTF IMPROVEMEN
			Check Total.....:	14276.58	.00	14276.58		
015861	12/10/08	\A002	CENTRAL COAST PROPERTY,	108.80	.00	108.80	000A81201	MQ CUSTOMER REFUND FOR AR
015862	12/10/08	\D005	DE-KAL CONSTRUCTON,	395.83	.00	395.83	000A81201	MQ CUSTOMER REFUND FOR DE
015863	12/10/08	\G007	GARCIA & SONS INC, G.F.	452.46	.00	452.46	000A81201	MQ CUSTOMER REFUND FOR GA
015864	12/10/08	\J003	JW DESIGN & CONSTRUCTION,	449.21	.00	449.21	000A81201	MQ CUSTOMER REFUND FOR JW

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 43 - Years of Service 1965 - 2008

DRAFT MINUTES

NOVEMBER 26, 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.

President Winn announced some students from Nipomo Elementary went to the Board of Supervisors meeting November 25, 2008, and sang a medley of patriotic songs and led the flag salute. They did a fantastic job.

B. ROLL CALL

At Roll Call, all Board members were present.

00:00:52

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) NCSD UTILITY SUPERINTENDENT TINA GRIETENS
Update re: Utility Department Operations

Tina Grietens, Utility Superintendent, gave an update of the activities within the Utility Division including the following, as outlined in the Board packet.

- Southland Wastewater Plant – 3 percolation ponds ripped, toured Ventura WWTP to learn more about the Biolac® system
- Southland Utility Yard – yard clean-up, remodel of lab area, chain-link fencing
- Maintenance – preventive maintenance program planning
- Collection System – cleaning sewer lines at Blacklake, cleaning lift stations, panel design, telemetry modification
- Wells – Sundale Well conversion design, Blacklake wells production controlled
- Distribution System – water reservoirs cleaning, painting of fire hydrants
- Personnel –training, certification
- Compliance reports
- SM riverbed investigation, Willow Rd extension, SCADA system upgrade

The Board thanked Ms. Grietens for the report.

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES**

C-2) NCSD WATER CONSERVATION COORDINATOR CELESTE WHITLOW
Semi Annual Update and Water Conservation Program Update

Celeste Whitlow, Water Conservation Coordinator, presented information as outlined in the memo in the Board packet.

<ul style="list-style-type: none"> • Update and Comparison of Water Consumption (tables in packet) • Community Events and Educational Workshops <ul style="list-style-type: none"> October Festival Creek Day 2008 Chipping Event Creekside Homeowners Assoc. meeting • Collaboration with SLO County Planning Dept. on drafting amendments to ordinances and implementation of the plumbing retrofit program. • Newsletters, Mailing, Advertising 	<ul style="list-style-type: none"> • Water Conservation Program implementation • District landscape <ul style="list-style-type: none"> Tree grates Irrigation system modifications Shaping tree canopies • Workshops, updates on programs 20x 2020 <ul style="list-style-type: none"> CUWCC (revisions) SLO Partners in Water Quality SLO Partners in Water Conservation
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The Board discussed the report with Mrs. Whitlow:

- Process of retrofit upon sale of properties. What agency will enforce the retrofits? Who will certify?
- In the spring, check progress of the high-efficiency-washer program and the high water-use letters. Track if the programs are effective.

Director Winn stated that Mrs. Whitlow's report to the WRAC (Water Resources Advisory Committee) was excellent.

The Board thanked Mrs. Whitlow for the report.

C-3) MIKE NUNLEY OF BOYLE ENGINEERING
Year End Update re: Waterline Intertie Project Final Design

John Hanlan, AECOM (formerly Boyle Engineering) Project Engineer for the technical portions of the Waterline Intertie Project, gave the Board an update on the project. He reviewed the memo from Mike Nunley. The project is on schedule and on budget. Director Eby stated that the cost estimate changes are well documented. Director Vierheilg suggested the addition of revision numbers and the dollar amount.

The Board thanked Mr. Hanlan for the report.

MINUTES SUBJECT TO BOARD APPROVAL

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

Director Eby

He stated that the NOAA Report shows normal rainfall for December.

The Santa Margarita Ranch Project (111-house phase of a 550-house development) may cause some problems with the fire protection. The Santa Margarita Fire Protection District is a volunteer group that may not be able to deal with an urban area. There is nothing in the EIR that helps funding for fire protection services.

LAFCo will be sending a questionnaire on the Sphere of Influence update. The next LAFCo meeting will be December 18, 2008 at 11:30 a.m.

Director Harrison

The Rotary Club will hold its Christmas Parade of Lights Saturday, Dec 6, 2008. It starts at 5:00 p.m.

Director Winn

WRAC will meet Wednesday, December 3, 2008 in the San Luis Obispo City Library. The Open Space Element will be discussed.

December 16, 2008, the Board of Supervisors will be hearing an appeal that was filed on the Hernandez project on the west side of the Mesa. The Board will also be discussing the Santa Margarita Ranch Project EIR concerning a 20-year sustainable water supply for 550 residences.

Director Eby stated that the SOI update questionnaire is asking if the sphere should be reduced or not increased. Morro Bay's sphere was shrunk back to the city limits.

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

There was no public comment.

00:57:01

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS
- D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of 11/12/08 Regular Meeting
- D-3) AUTHORIZE REPLACEMENT OF IRRIGATION CONTROLLER AND TREES AT VISTA VERDE LANDSCAPE MAINTENANCE ZONE
- D-4) AUTHORIZE SUBMITTAL OF COMMENTS TO CUWCC REGARDING EDITS TO BEST MANAGEMENT PRACTICES
- D-5) EXTEND TERM OF MASTER TASK ORDER AGREEMENT WITH SAIC TO PROVIDE GEO-HYDROLOGIC CONSULTING SERVICES

Bruce Buel, General Manager, suggested to eliminate a typo on page 5 in Item E-1 of the Minutes of the 11/12/08 Regular Meeting.

MINUTES SUBJECT TO BOARD APPROVAL

D. CONSENT AGENDA (CONTINUED)

Director Eby asked to have Item D-4 pulled for separate consideration.

Mr. Buel answered a few questions on D-3 and D-5.

The following member of the public spoke:

John Snyder, Nipomo resident – state that the Board should consider a more credible source of information than the report concerning sea-water intrusion from Bob Beebe of SAIC.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously approved Consent Agenda Items E-1, 2, 3 and 5. Vote 5-0

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

ITEM D-4

Celeste Whitlow, Water Conservation Coordinator and Bruce Buel, General Manager, explained that the Best Management Practices (BMPs) will probably become mandatory. They answered questions from the Board.

Director Eby asked about receiving the original Best Management Practices (BMPs) and the proposed BMPs and what the changes were. Staff agreed to provide a copy to the Board.

Mrs. Whitlow explained that the BMPs for water conservation must be followed by signatories to the MOU. The BMPs are organized into five categories: specific measures, water-saving assumption, options for implementation, and documentation requirements.

Director Harrison asked about the cost of membership and if it is required.

Answer: The membership costs \$2,300. The benefits derived outweigh the costs. There is support, equipment loaning, help with grant funding, etc.

There was no public comment.

Upon motion by Director Vierheilig and seconded by Director Harrison, the Board approved staff's recommendation to accept the revised BMPs without recommendation for change. Vote 4-1 with Director Eby abstaining until he receives further information.

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

The Board took a break at 10:26 a.m. and returned at 10:41 a.m.

01:026:34

E. ADMINISTRATIVE ITEMS

Recording started over 00:00:00

E-1) RECEIVE DRAFT REPORT ON USE OF ASSESSMENT PROCEEDS TO REPAY WATERLINE INTERTIE PROJECT DEBT SERVICE, PROVIDE POLICY GUIDANCE ON CONCEPT, DISCUSS FORMATION OF JPA WITH COUNTY FOR AREAS OUTSIDE OF NCSD, DISCUSS USE OF SLO COUNTY FINANCE AUTHORITY TO FUND PROJECT; AUTHORIZE NEGOTIATIONS WITH PURVEYORS AND AUTHORIZE REQUEST FOR PROPOSALS FOR SELECTION OF ASSESSMENT ENGINEER AND FINANCIAL ADVISOR

Bruce Buel, General Manager, reviewed the options for funding the waterline project. He stated that the Board retained the Wallace Group to prepare an initial review of the feasibility of forming an assessment district within NCSD's current boundaries to pay for

MINUTES SUBJECT TO BOARD APPROVAL

the District's future debt service cost of the Waterline Intertie Project. A copy of the Wallace Group's report, which assumes a total capital cost of \$21 million, dedication of \$6 million of reserves, an assessment bond interest rate of 8%, and a benefit unit calculation based on lot size/development potential is in the Board packet. The report looks at the implications of various combinations of the three other Nipomo Mesa water purveyors participating in project capital funding so as to provide a range of capital cost to be funded by NCSD. The report provides a range of potential yearly/monthly cost per benefit unit with the understanding that much more detailed work would be required to create a final assessment report that produces the specific benefit unit calculation required to conduct an assessment proceeding. If the Board wishes to proceed with the formation of an assessment district, it would be necessary to secure the 30% design from AECOM and to retain an assessment engineer to work with the District and a financial advisor to produce a final assessment report.

Also, in the packet is a spread sheet depicting the average monthly cost to NCSD's water customers if the debt service on a \$21 million bond were to be paid through user fees. For a \$9.17 million bond issue, the monthly assessment cost ranges from \$10.32 to \$13.57 for an average, single-family lot whereas, the average user fee would be \$19.99. For a \$15 million bond issue, the monthly assessment cost ranges from \$16.63 to \$21.89 for an average, single-family lot whereas, the average user fee would be \$32.24. This differential is primarily attributed to the ability of the assessment methodology to spread the debt service cost to undeveloped property and the requirements of the bond market for the District to pledge repayment of bond debt service with predictable revenue streams such as user fees. It should also be noted that several of the assumptions regarding financing are very conservative and that the bond market may be more stable next year when it is time to issue the bonds.

Mr. Buel answered questions from the Board.

The following members of the public spoke:

Mark Westfall, Nipomo resident, asked if the merger of the Town and Blacklake Water have any effect on the assessment district or the user fees.

Director Winn stated that it would not affect the assessment. If the merger did not take place, there would be different baselines.

Director Trotter stated that Blacklake will participate in payment of the pipeline and the water, even if Town/Blacklake merger doesn't take place.

John Snyder, Nipomo resident, stated that the cost included in the chart does not include the cost of the water. He stated that the District should include the total amount. He asked if Woodlands Water and Golden State do not participate, will NCSD be paying all the costs; and asked if Woodlands and Golden State are required to participate.

Mr. Buel stated that this item is a discussion of capital cost and not O & M costs.

Director Trotter stated that it is critical that all participants in supplemental water be identified and then analyze the impact of the water itself.

Director Harrison asked how an assessment is cheaper than putting the costs onto the water bills.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

- E-1) RECEIVE DRAFT REPORT ON USE OF ASSESSMENT PROCEEDS TO REPAY WATERLINE INTERTIE PROJECT DEBT SERVICE, PROVIDE POLICY GUIDANCE ON CONCEPT, DISCUSS FORMATION OF JPA WITH COUNTY FOR AREAS OUTSIDE OF NCSD, DISCUSS USE OF SLO COUNTY FINANCE AUTHORITY TO FUND PROJECT; AUTHORIZE NEGOTIATIONS WITH PURVEYORS AND AUTHORIZE REQUEST FOR PROPOSALS FOR SELECTION OF ASSESSMENT ENGINEER AND FINANCIAL ADVISOR (CONTINUED)

Recording started over again
00:00:00

Mr. Buel explained that on page 9 of the Assessment Report there is an explanation of the average residential customer.

Director Vierheilig asked what the administrative cut is for the SLO County Finance Authority to fund the project.

Mr. Buel stated that it would have to be negotiated, but 4.5-5% in terms of issuance costs was mentioned.

Director Winn stated that an assessment district makes sense but there are details needing to be worked out. We should go ahead with the process of an assessment district.

Jon Seitz, District Legal Counsel, stated that NCSD cannot form an assessment district outside of NCSD jurisdiction. The District can form a Joint Powers Agreement (JPA) with the County. Other purveyors will have alternate financial means.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously agreed to authorize negotiations with each of the purveyors, authorize negotiations with SLO County and the Flood Control District regarding the formation of a JPA and use of the SLO County Finance Authority for funding, authorize the circulation of a request for proposals to qualified assessment engineers and authorize the circulation of a request for proposals to qualified financial advisors. Vote 5-0.

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

00:13:38

- E-2) INTRODUCE DRAFT REPORT AND ORDINANCE MERGING THE TOWN AND BLACKLAKE WATER FUNDS, TENTATIVELY APPROVE BLACKLAKE WATER CUSTOMER SURCHARGE AND SET DATE FOR PROTEST HEARING

Bruce Buel, General Manager, reviewed the history of this item. On November 12, 2008, the Board reviewed options for providing water supply to Blacklake; selected the Ad Hoc Committee's recommendation (Merger of the Blacklake Water Fund with the Town Water Fund based on the payment of a \$437 per equivalent one-inch meter buy-in by Blacklake Water Customers); and set this agenda item to proceed with the merger by approving a Final Report on the merger, adopting a resolution tentatively approving the proposed Blacklake water rates, and introducing an ordinance that would ultimately merge the two funds.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

- E-2) INTRODUCE DRAFT REPORT AND ORDINANCE MERGING THE TOWN AND BLACKLAKE WATER FUNDS, TENTATIVELY APPROVE BLACKLAKE WATER CUSTOMER SURCHARGE AND SET DATE FOR PROTEST HEARING (CONTINUED)

The following members of the public spoke:

Nancy Fleming, NCS D resident, suggested adoption of the plan and thanked the Board.

Mark Westfall, NCS D resident, stated that there was a tremendous amount of time and money wasted and could have been resolved months ago. The public has seen how NCS D handles business.

Bill Nelson, NCS D resident, stated that he was a member of the old committee. He stated that the old water system was worn out in 2006 and needed to be replaced if the Blacklake community was to remain a viable community. To rebuild the water system to today's State standards would have been difficult and a waste of the resident's money. NCS D has the responsibility of providing water to the Blacklake community as well as the Town community. A more reliable and more efficient system could be provided to the community by abandoning the stand-alone equipment and connecting the Blacklake distribution system to the water pipeline running down Willow Road. The equipment and the looping should be paid for by Blacklake residents since the Town water system does not require it. Each customer in the Town system has contributed to the reserves to replace equipment as needed in the future to keep the system operating properly. It is only fair for the Blacklake customers to contribute its per capita amount to get a more reliable and more efficient system to serve the community. It is a fair and equitable plan for both Blacklake and Town customers.

Director Harrison stated that this decision is a gift of \$250 from each customer of the Town Division, but he will support the resolution because he can see some benefit to the Town customers with the consolidated system.

Director Trotter supports the proposal.

Upon motion by Director Harrison and seconded by Director Vierheilg, the Board unanimously agreed to authorize staff to read the proposed ordinance by title only. Voice vote – 5-0.

Mr. Buel read the title of the proposed ordinance.

Upon motion by Director Harrison and seconded by Director Vierheilg, the Board unanimously agreed to introduce the draft ordinance.

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

Proposed Ordinance

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ADDING
CHAPTER 3.40 TO THE DISTRICT CODE MERGING
TOWN WATER DIVISION AND BLACKLAKE WATER DIVISION**

MINUTES SUBJECT TO BOARD APPROVAL

**Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES**

- E-2) INTRODUCE DRAFT REPORT AND ORDINANCE MERGING THE TOWN AND BLACKLAKE WATER FUNDS, TENTATIVELY APPROVE BLACKLAKE WATER CUSTOMER SURCHARGE AND SET DATE FOR PROTEST HEARING (CONTINUED)

Upon motion by Director Harrison and seconded by Director Vierheilig, the Board unanimously approved the resolution tentatively approving the merger of the Town and the Blacklake Water Divisions. Vote 5-0.

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

**RESOLUTION NO. 2008-1111
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
TENTATIVELY APPROVING THE MERGER OF THE TOWN WATER DIVISION AND THE BLACKLAKE WATER
DIVISION, APPROVING THE DISTRICT FINAL REPORT AND ESTABLISHING JANUARY 28, 2009 TO
CONSIDER PROTESTS TO THE PROPOSED MERGER AND RATE ADJUSTMENT
(BLACKLAKE DIVISION)**

Assuming there is no majority protest, the merger will take place July 1, 2009. The second reading of the ordinance will be February 11, 2009, if there is no majority protest.

00:26:55

- E-3) CONSIDER ADOPTION OF AGREEMENT WITH SLO COUNTY RE: FUNDING FOR CONSTRUCTION OF PHASE I WILLOW ROAD WATERLINE IMPROVEMENTS

Bruce Buel, General Manager, explained that San Luis Obispo County is planning to extend Willow Road from Pomeroy Road to Hetrick Road early next year. The District's 2007 Water and Sewer Master Plan Update recommended the construction of a 12-inch and 14-inch diameter waterlines in this segment of roadway. Installation of the District's waterline concurrent with the County's roadway project is more cost-effective than installing the line in the future since the water line can be installed before the roadway is paved. The County is finalizing the design for the roadway and the District is developing a design for the waterline so that the projects can be bid concurrently.

Staff has developed an agreement to incorporate the construction of the District's proposed waterline into the County's project. Under the terms of the proposed agreement, the District will be responsible for design of the waterline, inspection of the waterline, direct construction cost of the waterline and reimbursing the County for all reasonable administrative costs incurred by the County for the preparation of contract documents, bidding and/or construction phase related to the waterline work. In exchange, the County will bid and construct the District's waterline work as part of the County's project. Staff anticipates this approach to the project will result in a total overall project cost that will be significantly less than if the District was to construct the project separate from the County's roadway project.

The Board asked questions of staff.

Peter Sevcik, District Engineer, stated that the County's design is at 50% now and should be at 90% by December 10th.

When asked if a special meeting would be necessary if the bid is more than 20% over the District engineer's cost estimate, Mr. Buel answered yes.

MINUTES SUBJECT TO BOARD APPROVAL

E-3) CONSIDER ADOPTION OF AGREEMENT WITH SLO COUNTY RE: FUNDING FOR CONSTRUCTION OF PHASE I WILLOW ROAD WATERLINE IMPROVEMENTS (CONTINUED)

Upon motion by Director Eby and seconded by Director Vierheilg, the Board agreed to continue the item to the December 10, 2008 meeting. The Board instructed staff to add the time element in Part 7-C-2 of the agreement. Vote 5-0.

The following members of the public spoke:

Greg Nester, local developer/builder, asked if the water line will affect the hydrant for the market he is building on Willow Road.

Mr. Sevcik has asked the engineer to coordinate the two designs.

Dick Mobraaten, NCS D resident, stated that when he worked for the telephone company, there were not all the steps to follow as the District is having to do with the waterline.

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

00:46:41

E-4) INTRODUCE ORDINANCE ADDING LANDSCAPE AND IRRIGATION REVIEW PROCEDURES TO INTENT-TO-SERVE PROCESS AND SET SECOND READING FOR DECEMBER 10, 2008

Bruce Buel, General Manager, explained that on October 20, 2008, the Water Conservation Committee unanimously recommended that the Board amend Section 3.05 of the District Code to enable District review and approval of landscape plans and irrigation systems for new non-residential development. This recommendation results from recent construction with heavy water-use landscapes. The Board previewed a rough draft of the text at you November 12, 2008 Board Meeting, edited the rough draft and set this hearing for introduction.

Also, the County has revised standards for new development and adoption of a draft ordinance that would allow for NCS D to ensure the new construction actually implements the new Title 19 and 22 requirements.

A draft ordinance providing for the re-write of Section 3.05, including the revisions ordered by the Board, was presented to the Board, as well as a red-lined version of the text illustrating the context.

The Board discussed the proposed ordinance. There was no public comment.

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board unanimously agreed, by voice vote, to have the proposed ordinance read by title only. Mr. Buel read the title of the proposed ordinance. Vote 5-0.

Upon motion by Director Vierheilg and seconded by Director Harrison, the Board unanimously agreed to introduce the draft ordinance, as edited, and set December 10, 2008, for the second reading. Vote 5-0.

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

MINUTES SUBJECT TO BOARD APPROVAL

The Board considered the Closed Session items next. President Winn announced, in case anyone in the audience was waiting for Item E-5 to be considered, this Item E-5 was withdrawn by the applicant and will not be heard.

I. CLOSED SESSION ANNOUNCEMENTS

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

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:06 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:52 p.m.

Director Trotter had left the meeting at 1:50 p.m.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on each of the items listed above.

There was no reportable action.

E-5) CONSIDER GARL INTENT-TO-SERVE APPLICATION FOR WATER AND SEWER SERVICE TO SIX-UNIT APARTMENT COMPLEX AT 139 E. DANA

This item was withdrawn by the applicant.

MINUTES SUBJECT TO BOARD APPROVAL

00:53:55

E-6) CONSIDER REQUEST FROM PRESIDENT WINN FOR DISTRICT TO PARTICIPATE IN CLEAN-UP OF ASSEMBLED SOLID WASTE IN HETRICK RIGHT-OF-WAY NORTH OF POMEROY

Bruce Buel, General Manager, explained President Winn had requested that the Board consider authorizing District participation in the clean-up of assembled solid waste in the Hetrick right-of-way north of Pomeroy Road. This stretch of Hetrick is mostly impassible to vehicles, but it has become a dumping ground for illegal disposal of solid waste. The California Conservation Corps, SLO County Code Enforcement, SLO County Parks, and South County Sanitary have all indicated willingness to participate in the clean-up effort, which would need to include the placement of rock base for access, installation of bollards and trimming of vegetation. The District received a letter from the California Conservation Corps (CCC) detailing their cost and the basis of their effort. NCS D's agreement with South County Sanitary includes up to \$5,000 per year in removal of solid waste at the District's request. NCS D's Solid Waste Fund includes a substantial reserve that could be used for hard costs associated with payment of the Corps. SLO County Code Enforcement has indicated a willingness to dispose of hazardous materials and to secure necessary encroachment permits (and if necessary, property owner permission).

The Board discussed the concept. Director Winn had spoken with Tom Martin of the South County Sanitary Services and agreed that they would pick up the debris at no extra cost. The CCC is willing to do the work for \$4,700.

Mike Anderson from the CCC was in the audience and speaking from his seat. He discussed some of the concepts with the Board.

The Board discussed who owns the land, what kind of grading would be necessary to get a roll-off into the area, what kind of barriers to install to provide for emergency access.

Upon motion by Director Winn and seconded by Director Harrison, the Board unanimously agreed in concept to commit Solid Waste Fund reserves to pay for the CCC and commit a portion of the Solid Waste "Special Fund" to pay South County Sanitary. The Board directed staff to bring back agreements with the CCC and South County Sanitary, and a resolution for transferring reserves.

The following member of the public spoke:

Dick Mobraaten, NCS D resident, supports a barrier with a chain and lock.

Vote 4-0 with Director Trotter absent.

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

01:20:55

F. MANAGER'S REPORT

Bruce Buel, General Manager, had additional comments to the Manager's Report: The Environmental Impact Report for the Santa Maria Waterline Intertie Project has arrived. Notices were sent out. CD's are available for parties who request one. A hard copy is available for inspection and/purchase in the District office. Comments need to be received in the District office by January 9, 2008.

The CSDA SLO Chapter will be having its Ethics Class, Saturday, January 24, 2009, at 1:00 p.m. in the Templeton Community Center. Jon Seitz will be the presenter.

MINUTES SUBJECT TO BOARD APPROVAL

Director Harrison asked about the interest for the Blacklake Sewer Fund loan. If there is no majority protest on December 10th, it will be addressed at that point.

01:27:56

G. COMMITTEE REPORTS

The Committee Reports are as submitted in the Board letter.

01:28:08

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTSDirector Vierheilig

He would like to have a rate study of other water purveyors distributed to the directors on an annual basis.

Director Eby

He would like a copy of the SOI Update questionnaire information that will be sent to LAFCO distributed to the directors.

Director Winn

He would like a copy of the report from Fugro sent to the SLO Flood Control District and to James Caruso.

He would like to have a Water Planning Forum (a group that met in the NCSD Board room several years ago) landscaping report distributed to the directors. Mr. Winn agreed to provide a reproducible copy to staff.

ADJOURN

President Winn adjourned the meeting at 2:34 p.m.

➤ THE NEXT REGULAR BOARD MEETING IS DEC 10, 2008.**TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Blacklake Sewer User Fee Protest Hearing
- Southland WWTF Upgrade Project Master Plan
- Options for Disposal of Southland WWTF Treated Wastewater

MINUTES SUBJECT TO BOARD APPROVAL