

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BBB*
DATE: FEBRUARY 6, 2009

**AGENDA ITEM
D
FEBRUARY 11, 2009**

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 1/28/09 Regular Meeting
- D-3) RECEIVE BLACKLAKE AREA OVERSIGHT COMMITTEE BYLAWS [FILE]
- D-4) CONFIRM FY09-10 BUDGET DEVELOPMENT PROCESS[RECOMMEND APPROVAL]
- D-5) AUTHORIZE LETTER OF SUPPORT FOR CONSERVATION CORPS [RECOMMEND APPROVAL]

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TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: FEBRUARY 6, 2009

**AGENDA ITEM
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 FEBRUARY 11, 2009**

**TOTAL COMPUTER
 CHECKS
 \$ 223,258.06**

HAND WRITTEN CHECKS

01-26-09	19865	SLO CHAPTER CSDA	40.00
01-26-09	19866	E EBY	100.00
01-26-09	19867	C TROTTER	100.00
02-03-09	19868	POSTMASTER	210.00
02-11-09	19869	R H NEWDOLL CONSTRUCTION	1,389.30
02-11-09	19870	SHIPSEY & SEITZ	20,000.00

VOID - NONE

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor/Organization	Invoice Id	Date	Description/Reference	Period	Amount	Amount Paid
16070	02/06/09	EMP01 EMPLOYMENT DEVELOP DEPT	A90123	01/23/09	COMBINED CHECK	01-09	913.54	913.54
16071	02/06/09	MID01 MIDSTATE BANK-PR TAX DEP	A90123	01/23/09	COMBINED CHECK	01-09	4176.52	4176.52
16072	02/06/09	MID02 MIDSTATE BANK - DIRECT DP	A90202	02/02/09	NET PAY	01-09	23453.79	23453.79
16073	02/06/09	PER01 PERS RETIREMENT	A90123	01/23/09	COMBINED CHECK	01-09	7721.28	7721.28
16074	02/06/09	STA01 STATE STREET GLOBAL	A90202	02/02/09	457 DEFERRED COMP	01-09	1430.00	1430.00
016075	02/11/09	ABA01 ABALONE COAST BACTERIOLOG		176.00	.00	176.00	09-94	TOWN WWTF LAB
				150.00	.00	150.00	09-130	WATER SAMPLES
				20.00	.00	20.00	09-131	BL WWTF LAB
				20.00	.00	20.00	09-145	BL WWTF LAB
				176.00	.00	176.00	09-146	TOWN WWTF LAB
				20.00	.00	20.00	09-155	BL WWTF LAB
				129.60	.00	129.60	09-156	WATER SAMPLES
				20.00	.00	20.00	09-162	BLWWTF LAB
				14.40	.00	14.40	09-179	WATER SAMPLE
				20.00	.00	20.00	09-180	BL SEWER
				20.00	.00	20.00	09-197	BL SEWER LAB
				14.40	.00	14.40	09-198	WATER SAMPLE
				150.00	.00	150.00	09-199	WATER SAMPLES
				20.00	.00	20.00	09-208	BL WWTF LAB
				176.00	.00	176.00	09-209	TOWN WWTF LAB
				20.00	.00	20.00	09-225	BL WWTF LAB
				20.00	.00	20.00	09-234	BL WWTF LAB
		Check Total.....:		1166.40	.00	1166.40		
016076	02/11/09	ADV01 ADVANTAGE ANSWERING PLUS		208.85	.00	208.85	101413	PAGING SERVICE
016077	02/11/09	AEC01 AECOM WATER		64684.90	.00	64684.90	62135	WATERLINE INTERTIE PROJEC
				5285.25	.00	5285.25	62137	SOUTHLAND DISPOSAL PLANNI
				1174.50	.00	1174.50	62220	ORCHARD RD WATERLINE
				198.45	.00	198.45	62247	PCI VILLAGIO MKT
				1001.70	.00	1001.70	62248	PCI 092-130-044
				2165.40	.00	2165.40	62248 B	PCI TR 2689
		Check Total.....:		74510.20	.00	74510.20		
016078	02/11/09	ALX01 ALEXANDER'S CONTRACT SERV		2207.55	.00	2207.55	012909	METER READS
016079	02/11/09	AME02 AMERICAN INDUSTRIAL SUPPL		1003.26	.00	1003.26	192782	LFT STN SUPPLIES
016080	02/11/09	AME03 AMERI PRIDE		127.28	.00	127.28	F685821	UNIFORMS ETC
				120.89	.00	120.89	F691358	UNIFORMS ETC
		Check Total.....:		248.17	.00	248.17		
016081	02/11/09	ATT01 AT&T/MCI		26.61	.00	26.61	26596	PHONE
				154.31	.00	154.31	426344	PHONE
				148.30	.00	148.30	426666	PHONE
		Check Total.....:		329.22	.00	329.22		
016082	02/11/09	BEN03 BENJAMIN FRANKLIN PLUMBIN		287.00	.00	287.00	0200509	FAUCET REPAIR
016083	02/11/09	BRE02 BRENNTAG PACIFIC INC.		507.63	.00	507.63	BPI965832	CHLORINE
				507.63	.00	507.63	BPI965833	CHLORINE
		Check Total.....:		1015.26	.00	1015.26		
016084	02/11/09	BRI01 BRISCO'S		188.05	.00	188.05	140087+	SUPPLIES
016085	02/11/09	BUE01 BUEL, BRUCE		39.35	.00	39.35	012609	TRAVEL TO UCLA

**NIPOMO COMMUNITY SERVICES DISTRICT
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
016086	02/11/09	CAL15	CALIFORNIA URBAN WATER CO	7500.00	.00	7500.00	34584	REBATES
				100.17	.00	100.17	113008	REBATE FEES
			Check Total.....:	7600.17	.00	7600.17		
016087	02/11/09	CAN02	CANNON ASSOCIATES	1935.00	.00	1935.00	45536	OLYMPIC WELL SCADA
016088	02/11/09	CHE01	CHEVRON & TEXACO BUSINESS	1170.24	.00	1170.24	16304634	FUEL
016089	02/11/09	CIT01	CITY NATIONAL BANK	18287.25	.00	18287.25	011509	A/D 93-1-INTEREST PAYMENT
016090	02/11/09	CLA02	CLAY'S SEPTIC & JETTING	300.00	.00	300.00	38073	CLEAN HAZEL LFT STN
016091	02/11/09	CSD02	CALIFORNIA SPECIALTY DIST	213.73	.00	213.73	154352	SUPPLIES FOR WELLS
016092	02/11/09	DEW01	J B DEWAR INC	283.68	.00	283.68	371151	OIL FOR WELLS
016093	02/11/09	DLT01	DLT SOLUTIONS INC	198.69	.00	198.69	SIO75839	AUTO CAD RENEWAL
016094	02/11/09	EBY01	EBY, ED	100.00	.00	100.00	021109	REG BD MEETING 021109
016095	02/11/09	ELE01	ELECTRONIC PRTS SUPERMART	22.54	.00	22.54	24695	BATTERY
016096	02/11/09	EME01	EMEDCO SIGN & SOLUTIONS	629.99	.00	629.99	681170	LOCK SEALS FOR METERS
016097	02/11/09	FAR01	FARM SUPPLY COMPANY	34.06	.00	34.06	898100	BL WTP SUPPLIES
016098	02/11/09	FAR02	FAR WEST EXPRESS	38.00	.00	38.00	E15198+	DELIVERY
016099	02/11/09	FRA03	FRANCIS, HUNTER PROGRAM	300.00	.00	300.00	1298	SOIL AND COMPOSTING WORKS
016100	02/11/09	GAS02	GAS COMPANY, THE	99.78	.00	99.78	012109	OFFICE HEAT
				13.74	.00	13.74	012709	SHOP HEAT
			Check Total.....:	113.52	.00	113.52		
016101	02/11/09	GIL01	GLM, INC.	320.00	.00	320.00	013009	OFFICE LANDSCAPE MAINT
016102	02/11/09	GLO03	GLOBAL WATER INSTRUMENTAT	582.93	.00	582.93	61275	HYDRANT LOGGER
016103	02/11/09	GRO01	GROENIGER & CO	286.00	.00	286.00	11006726	SUPPLIES
016104	02/11/09	GWA01	GWA INC	53.00	.00	53.00	90100640	ALARM MONITORING
				85.00	.00	85.00	90102062	ALARM MONITORING
				85.00	.00	85.00	90102107	ALARM MONITORING
			Check Total.....:	223.00	.00	223.00		
016105	02/11/09	HAR02	HARRISON, JAMES	100.00	.00	100.00	021109	REG BD MEETING 021109
016106	02/11/09	JAC01	JACK'S REPAIR & SALES	3.02	.00	3.02	22746B	SUPPLIES
016107	02/11/09	JJK01	J J KELLER & ASSOCIATES,	412.63	.00	412.63	7726420	SAFETY SOFTWARE
016108	02/11/09	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	43810	LANDSCAPE MAINT FOR TR 24
016109	02/11/09	MAC01	MACH SECURITY SOLUTIONS	14153.30	.00	14153.30	5179	SECURITY UPDATE
016110	02/11/09	MUL01	MULLAHEY FORD	42.18	.00	42.18	FOCS19481	06 TRUCK MAINT
016111	02/11/09	PGE01	P G & E	28645.71	.00	28645.71	012609	ELECTRIC SERVICE
016112	02/11/09	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	183	JANUARY JANITORIAL SERVIC
016113	02/11/09	QUI04	QUINN POWER SYSTEMS	33.60	.00	33.60	330001622	SUPPLIES
016114	02/11/09	RBA01	R BAKER, INC	8190.01	.00	8190.01	08113370	THOMPSON WATERLINE RELOCA
016115	02/11/09	RIC01	RICHARDS, WATSON, GERSHON	6825.87	.00	6825.87	162866	WATER RIGHTS ADJUDICATION

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
016116	02/11/09	ROD01	RODRIGUEZ, RIGOBERTO	120.00	.00	120.00	A90206	SAFETY BOOT ALLOWANCE
016117	02/11/09	SAN04	SANTA MARIA TIMES	309.88 601.28	.00 .00	309.88 601.28	54089+ 541905	EMPLOYMENT ADS BL WATER PROP 218 NOTICE
			Check Total.....:	911.16	.00	911.16		
016118	02/11/09	SOU01	SOUTH COUNTY SANITARY	34.92 169.12	.00 .00	34.92 169.12	2447096 2448602	TRASH COLLECTION OFFICE OLDE TOWNE TRASH COLLECTI
			Check Total.....:	204.04	.00	204.04		
016119	02/11/09	SOU03	SOUTH COUNTY SANITARY	167.04	.00	167.04	013009	SOLID WASTE TAX LIENS
016120	02/11/09	SPB01	SPECIAL DISTRICT RISK	20.00	.00	20.00	POSTERS	POSTERS
016121	02/11/09	STA08	STAPLES	65.73	.00	65.73	880537401	SUPPLIES
016122	02/11/09	TES01	TESCO CONTROLS, INC.	375.00	.00	375.00	40519	BL LIFT STN SUPPLIES
016123	02/11/09	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	021109	REG BD MEETING 021109
016124	02/11/09	USA01	USA BLUEBOOK	148.51	.00	148.51	749024	SUPPLIES
016125	02/11/09	USB01	US BANK TRUST	433.02 10.42 120.53 192.37 854.65 375.00 70.00 13.55	.00 .00 .00 .00 .00 .00 .00 .00	433.02 10.42 120.53 192.37 854.65 375.00 70.00 13.55	012209-A 012209-B 012209-C 012209-D 012209-E 012209-F 012209-G 012209-H	SUPPLIES 3454 POSTAGE OFFICE SUPPLIES BD MEETING SUPPLIES TRAVEL SEMINAR DUES WORKSHOP SUPPLIES
			Check Total.....:	2069.54	.00	2069.54		
016126	02/11/09	VER01	VERIZON	36.13	.00	36.13	011909	BL PHONE LINE
016127	02/11/09	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	021109	REG BD MEETING 021109
016128	02/11/09	WHI02	CELESTE WHITLOW	614.56	.00	614.56	020209	REIMB WATER CONSERVATION
016129	02/11/09	WIN01	WINN, MICHAEL	100.00	.00	100.00	021109	REG BD MEETING 021109
016130	02/11/09	WOO01	DOUGLAS WOOD & ASSOCIATES	675.00 5343.31	.00 .00	675.00 5343.31	020109-4 020109-10	SOUTHLAND WWTF IMPROVEMEN WATERLINE INTERTIE EIR
			Check Total.....:	6018.31	.00	6018.31		
016131	02/11/09	\D002	DECKER, W R	166.18	.00	166.18	000A90201	MQ CUSTOMER REFUND FOR DE
016132	02/11/09	\M007	MONTY HOLDEN BACKHOE,	318.80	.00	318.80	000A90201	MQ CUSTOMER REFUND FOR MO
016133	02/11/09	\N002	NIPOMO BUSINESS PARK,	435.00	.00	435.00	000A90201	MQ CUSTOMER REFUND FOR NI
016134	02/11/09	\R003	ROCKWOOD GEN CONTRACTOR,	480.50	.00	480.50	000A90201	MQ CUSTOMER REFUND FOR RO

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 44 - Years of Service 1965 - 2009

DRAFT MINUTES

JANUARY 28, 2009 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

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

PRINCIPAL STAFF

BRUCE BUEL, **GENERAL MANAGER**
LISA BOGNUDA, **ASST. 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 Harrison called the January 28, 2009, Regular Meeting of the Nipomo Community Services District Board of Directors to order at 9:00 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all Directors were present.

00:01:45

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) MIKE NUNLEY OF AECOM ENGINEERING Update re: Waterline Intertie Project Design

Mike Nunley of AECOM gave an update on the Waterline Intertie Project Design to the Board of Directors. The Board of Directors asked questions of Mr. Nunley. Mr. Nunley agreed to provide an explanation of the updated budgeted amounts for lines 9 through 18 of his handout.

C-2) NCSD SUPERINTENDENT TINA GRIETENS Update re: Utilities Division Activities

Tina Grietens, Superintendent provided the Board of Directors with a Monthly Utility Department update. The Board of Directors asked questions and Ms. Grietens responded.

Mrs. Whitlow was not in the audience, therefore, the Board of Directors moved to Item C-5.

C-3) NCSD WATER CONSERVATION COORDINATOR CELESTE WHITLOW Update re: Water Conservation Program

Celeste Whitlow, Water Conservation Coordinator provided the Board of Directors with a Monthly Update and discussed the gardening workshops. Ms. Whitlow provided breaking news that the Smart Rebate Funding had been suspended due to State budget crisis.

C-4) PREVIEW 2009 ANNUAL CHIPPING EVENT Presentation by Celeste Whitlow re Chipping Event Schedule

Mrs. Whitlow stated the coordination for the Chipping Event has started. President Harrison stated that the Fire Safety Council will acknowledge Ms. Whitlow on January 29 for her efforts and work on last year's Chipping Event.

C-5) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Nipomo Community Services District
REGULAR MEETING
MEETING NOTES

Receive Announcements from Directors Items of District & Community Interest

Director Vierheilig

Nipomo Native Gardens workday is Saturday, February 7th from 9 a.m. to 12:00 p.m. The Governor's budget proposes to eliminate funding for the California Conservation Corp. You can get more information at www.ccc.org.

Director Winn

A meeting is scheduled on February 9 with Supervisor Achadjian to discuss the EIR on the County's Affordable Housing Ordinance.

On January 29 at 9:00 a.m. there will be a photo op with the CCC's at the Hetrick Avenue clean-up site.

WRAC will meet on February 4 at 1:30 p.m. at the SLO County Library. Several important documents will be discussed (COSE, RMS, Laetitia Ag cluster DEIR).

On February 4, the Chamber of Commerce will be hosting a mixer from 5:00 p.m. to 7:00 p.m. at their new location.

The SCAC met on January 26 and agreed to send a letter to the Board of Supervisors in support on NCSD's position on the Affordable Housing Ordinance EIR..

Director Harrison

On February 6, there will be a Renewable Energy Workshop and the cost is \$10.00 to attend.

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Bob Blair, NCSD resident, stated that his zip code is 93420 (Arroyo Grande) and not 93444 (Nipomo). Mr. Blair stated that when Summit Station was annexed there was an agreement to provide water for all future development and that did not include paying for supplemental water. Mr. Blair then left the meeting before Staff could respond.

Bill Petrick, NCSD resident, had a question for Tina and Bruce –What preventive maintenance has been done to BL water and wastewater systems in the past six months?

Mr. Seitz, District Legal Counsel stated he is not aware of any contract by LAFCO and/or County or NCSD to deliver water at a set price to Summit Station residents. The Assessment District was formed to build the infrastructure to serve the residents. NCSD did not place land use restrictions on Summit Station.

Director Winn stated that Summit Station area is not in the Arroyo Grande city limits nor is Summit Station in the City of Arroyo Grande Sphere of Influence. Summit Station is in the NMMA and the Nipomo Mesa Water Conservation Area and receives the same benefits from the groundwater supply as all other NCSD residents.

Mr. Buel stated that NCSD is working on a Preventive Maintenance Program. Even though the maintenance is not formally documented at this time, Staff provides daily, weekly and monthly operations to both the BL water and wastewater systems.

00:53:20

D. CONSENT AGENDA .

Director Eby requested Item D-4 be pulled for separate consideration.

D-1) APPROVE WARRANTS

D-2) APPROVE BOARD MEETING MINUTES

Approve Minutes of 1/14/09 Regular Meeting

D. CONSENT AGENDA

- D-3) PREVIEW STRATEGIC PLAN PROCESS
- D-4) APPROVE QUARTERLY INVESTMENT REPORT
- D-5) APPROVE QUARTERLY FINANCIAL REPORT

There was no public comment on Items D-1, D-2, D-3 or D-5.
 Upon motion of Director Winn and seconded by Director Vierheilg, the Board unanimously approved Consent Agenda Items D-1, D-2, D-3 and D-5. Vote 5-0.

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

Item D-4

Director Eby expressed his concerns about the safety of the Certificate of Deposit because the amount exceeds the FDIC insured amount and the collateral Rabobank may be using may not be secure.
 Jon Seitz stated that the deposits of governmental funds are different than individual deposits.
 Bruce Buel stated that the Investment Policy will be on the February 11 agenda.
 There was no public comment.

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

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

D. ADMINISTRATIVE ITEMS

01:02:50

- E-1) CONDUCT BLACKLAKE WATER RATE ADJUSTMENT PROTEST HEARING, DETERMINE SUFFICIENCY OF PROTEST, AND IF THERE IS NOT A MAJORITY PROTEST, SET FEBRUARY 11, 2009 TO CONSIDER RESOLUTION IMPLEMENTING THE RATE ADJUSTMENT

Bruce Buel, General Manager, reviewed the process NCSD has taken including accepting the Financial Plan, conducting the first reading of the Ordinance, setting the Protest Hearing date, and mailing out the protest notices.

Mr. Buel reported to the Board that NCSD has received 10 written protests and 1 letter of support (even though that doesn't count). Protests will be accepted until the close of the Public Hearing.

Director Trotter reviewed the list of items to be done that was included in the public notice and confirmed the commitment by NCSD to completing these items.

Director Vierheilg stated the O & M issue should be placed on the agenda of a future meeting.

Director Eby stated NCSD has tried to provide an economical solution to Blacklake residents and feels that they are getting a good deal.

The Protest Hearing was opened to the public:

Bill Petrick, NCSD resident, thanked Directors Vierheilg, Harrison and Eby for their work on this issue. Mr. Petrick read a prepared statement that included his distrust of NCSD, the reactivation of the Blacklake Advisory Committee, and increased interest in water

problems.

Director Eby asked if there was an original agreement to merge without a surcharge. Mr. Buel said that was not true.

Director Harrison stated that the merger is beneficial to the Blacklake and Town systems and is looking forward to operating one system.

The Public Hearing was closed.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board acknowledged receipt of approximately ten protests, determined that there was not a majority protest, and set February 11, 2009, as the date to consider the Resolution setting the new rates and conducting the second reading of the Ordinance to merge the water systems. Vote 5-0.

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

Director Winn thanked Blacklake Village residents Bill Nelson and Nancy Fleming for their help throughout this process.

President Harrison called for a break at 10:16 a.m.

President Harrison reconvened the meeting at 10:28 a.m.

01:16:58

E-2) RETAIN WALLACE GROUP TO PERFORM ADDITIONAL RESEARCH REGARDING BASIS OF ASSESSMENT FOR FUNDING CAPITAL PORTION OF WATERLINE INTERTIE PROJECT

Bruce Buel, General Manager, reviewed the request to retain Wallace Group to perform additional research. Kari Wagner, of Wallace Group, answered questions about the research.

Director Trotter stated he has participated in this type of work in the past and it must be presented in great detail.

Director Eby stated that this work is important because it provides legal support and community defensibility and will aid in the future update of the Urban Water Management Plan and will assist in measuring the effectiveness of the water conservation measures.

Director Vierheilig asked about Task #2 and field verification. Ms. Wagner stated they will use current aerial photos and visual verification.

Director Winn asked if the aerial photos could be put in electronic format for posting on the web site. Ms. Wagner agreed to research this issue and report back.

There was no public comment. Upon motion of Director Eby and seconded by Director Winn, the Board of Directors unanimously approved the contract with Wallace Group for Tasks 1-6 and 7 not to exceed \$66,100. Vote 5-0.

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

01:34:23

E-3) CONSIDER ADOPTION OF RESOLUTION ESTABLISHING GUIDELINES FOR IMPLEMENTATION OF SLO COUNTY RETROFIT ORDINANCES

Bruce Buel, General Manager, presented the Resolution to establish guidelines for use

Nipomo Community Services District
REGULAR MEETING
MEETING NOTES

of in-lieu fees. The guidelines were reviewed by the Water Conservation Committee. There are two amendments proposed to the Resolution. "In Lieu fee" should have a hyphen throughout the document. In Section 1, Administrative Fee should be re-numbered as Item A and all other items re-numbered accordingly.

Director Harrison asked if NCS D would be writing a receipt for the collection of in-lieu fees. The answer was yes.

There was no public comment. Upon motion of Director Winn and seconded by Director Vierheilg, the Board of Directors unanimously approved Resolution 2009-1120 as amended. Vote 5-0.

RESOLUTION 2009-1120
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING GUIDELINES FOR THE USE OF IN-LIEU FEES AUTHORIZED BY COUNTY ORDINANCE 3160

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

01:47:30

E-4) REVIEW PHASE 1 REPORT ON PREVENTATIVE MAINTENANCE

Peter Sevcik, District Engineer, reviewed the need for a Preventive Maintenance Program as recommended by the Water and Sewer Master Plan Update. Mr. Sevcik introduced Mr. Dennis Delzeit, the consultant who prepared the program. Mr. Delzeit gave an overview of the program.

The Board of Directors made numerous suggestions and comments to Mr. Delzeit.

There was no public comment.

No action was taken on this item. Staff agreed to prepare an edited version of the Preventive Maintenance Program and re-circulate it to the Board of Directors.

02:16:27

E-5) CONSIDER ALLSHOUSE REQUEST FOR MODIFICATION OF EXISTING INTENT-TO-SERVE LETTER

Peter Sevcik, District Engineer, reviewed the applicants request to modify the existing Intent-to-Serve Letter and provided the Board of Directors with options. The existing Intent-to-Serve Letter was processed as a Multi-Family project and the applicant stated he had always intended it to be a subdivision with a Tract Map. Under the Water Allocation Ordinance, the change in the project would create a shortfall of 2.1 acre feet of water.

Jon Seitz, District Legal Counsel, asked Mr. Sevcik to prepare an estimated calculation of water and sewer capacity charges for requested modifications. The requested modification to single family units would cause an increase in fees of approximately \$200,000 (from approximately \$200,000 to approximately \$400,000 – depending on the timing of payment).

Michael Allshouse, owner of the project, presented a history of the project and stated he bought the project when it was proposed as an apartment complex and changed it to a subdivision, and this is what he had always intended. Mr. Allshouse agreed the water and sewer capacity charges would be significantly higher with a subdivision and agreed to pay the higher amount, agreed there would be 15 one-inch residential meters, one 1.5-inch irrigation meter, the existing 4-unit apartment complex will remain multi-family and must be placed on a single meter, and the entire project, including the existing

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apartment complex must be connected to the sewer.

Pamela Jardini, agent for Mr. Allshouse, stated that the project was always presented as a tract. Ms. Jardini relied on the County's definition of Multi-Family and did not realize the District's definition was different.

Mr. Anderson, NCSD resident, asked where the water is coming from to serve this project.

Anna Lise Thuse, asked how the District can consider setting more water meters and allocating more water to these projects.

Jon Seitz, District Legal Counsel, stated that this project will pay a supplemental water capacity charge to help pay for supplemental water.

Director Eby stated he would vote no because new allotments should not be allowed until the supplemental water project EIR is certified.

Upon motion of Director Winn and seconded by Director Vierheilig, the Board of Directors approved the modification to the Intent-to-Serve Letter, allocate 2.1 acre-feet of water for the project out of the 2008-09 water-allocation year and make findings that there may have been an honest mistake in the processing of the original Intent-to-Serve Letter and Mr. Allshouse agrees to pay the new water and sewer capacity charges. Vote 3-2 with Directors Eby and Trotter voting no.

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

The Board considered Closed Session next.

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)
4. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSD VS. COUNTY OF SAN LUIS OBISPO, ET AL. (CASE NO. CV090010)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

03:09:47

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:20 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 2:08 p.m.

Jon Seitz, District Legal Counsel, announced that the Board heard an update on the Closed Session items. There was no reportable action.

03:12:26

E-6) AUTHORIZE EXECUTION OF MEMORANDUM OF UNDERSTANDING WITH SLO COUNTY RE TRANSFER OF MILLER PARK SITE TO NCSD [ADOPT RESOLUTION]

Bruce Buel, General Manager stated that the draft presented does include NCSD edits. Mr. Buel stated the MOU is fair and will allow NCSD to proceed.

Director Trotter asked about NCSD's obligation to develop the park. If NCSD fails, the property will revert back to the County.

Director Eby asked about funding for the planning. It is included in the 2008-09 budget.

Director Harrison handed out a proposed time line for the completion of the project.

Director Winn asked for clarification on points in the MOU.

It is proposed that an assessment district be formed and that 1/3 of the operating costs be funded by the assessment district and 2/3 of the operating costs be funded from NCSD's share of future property taxes.

There was no public comment. Upon motion of Director Winn and seconded by Director Trotter, the Board of Directors unanimously approved the execution of the MOU. Vote 5-0.

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

03:34:00

F. MANAGER'S REPORT

Bruce Buel, General Manager, stated the Manager's Report is as presented. He offered the Land Use Law and Planning Conference Manual to the Board for their review. He added that he sent a comment letter on the bio-solids ordinance. The hydrant and valve quotes were opened at 2:00 p.m. today and would be presented to the Board of Directors on February 11.

Director Eby stated that LAFCO re-elected Richard Roberts, not re-appointed him. There was no public comment.

03:39:18

G. COMMITTEE REPORT

1. 1/12/09 Water Conservation Committee Meeting
2. 1/12/09 Southland Upgrade Project Committee Meeting

Director Winn had one correction to the Southland Upgrade Committee Meeting minutes. Director Vierheilig had one correction to the Water Conservation Committee Meeting minutes.

There were no public comments.

03:42:50

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Eby

Would like ideas on how we can measure the effectiveness of our water conservation program

Director Winn

- Look at the reimbursement agreement policy at a future date
- Closed Session item on the negotiations with the City of Santa Maria
- Name plate for Ms. Bognuda
- When are By-Laws going to be reviewed?
- Unaccounted-for-water - should measure water used for flushing of water and sewer lines
- Asked about scheduling a consideration of a 3-tier water rate
- Rallied support for the CCC

ADJOURN

President Harrison adjourned the meeting at 3:08

➤ **THE NEXT REGULAR BOARD MEETING IS FEB. 11, 2009**

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Sundale Well Conversion
 - Fats, Oils and Grease Control Program
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