

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 6, 2009

**AGENDA ITEM
G
MARCH 11, 2009**

COMMITTEE REPORTS

ITEM

Review Committee Matters.

BACKGROUND

Attached are minutes from the 2/23/09 Water Conservation Committee Meeting and the 3/2/09 Finance and Budget Committee Meeting.

The Supplemental Water Project Committee is scheduled to meet at 2:00pm on Monday March 23, 2009.

RECOMMENDATION

It is recommended that your Honorable Board discuss the meetings as appropriate.

ATTACHMENT –

- 2/23/09 WC COMMITTEE MEETING MINUTES
- 3/2/09 F&B COMMITTEE MEETING MINUTES

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NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET
POST OFFICE BOX 326
NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932
Web site address WWW.NCSD.CA.GOV

MINUTES OF THE 2/23/09 SPECIAL MEETING OF THE WATER CONSERVATION COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Winn called the Special Meeting to order at 10am in the NCSD Board Chambers. Both Chairman Winn and Director Vierheilig were in attendance along with staff members Bruce Buel and Celeste Whitlow. No members of the public were present.

2. DISCUSS AWARDING CONTRACT FOR WATER AUDITER

Celeste Whitlow described the purpose of the proposal, requested Committee feedback on the Audit portion of the proposal and noted that the Committee was not being asked to comment on the irrigation controller portion of the proposal. Mike Winn expressed a concern that eight out of the ten firms did not respond. Celeste Whitlow agreed to contact a sample of the non-responsive firms to find out why. Larry Vierheilig requested that any agreement with an audit firm provide for audits of properties greater than 2.5 acres in size. Celeste Whitlow agreed to address this issue and to coordinate with the federally funded audit program for larger properties. Mike Winn asked for a definition of xeriscape landscaping and Celeste Whitlow responded. The Committee discussed possible protocols for property owners to respond to the recommendations set forth in the audit. The Committee agreed, by consensus, that the Earthscapes Proposal was responsive and complete. There was no public comment.

3. DISCUSS PURCHASE OF WATER CONSERVATION SOFTWARE FOR TRACKING PROGRAMS AND ANALYZING DATA

Celeste Whitlow summarized her research on finding tracking software to evaluate water savings related to program implementation. Committee discussion followed on the need to prove that the programs did save water, the legality of a sole source award, and the suitability of the proposed software to track water savings. The Committee recommended that staff report to the Board regarding the legality of the proposed sole source award and the effectiveness of the software to actually track water savings. There was no public comment.

4. DISCUSS OPTIONS AND TIMELINE FOR TRACKING WATER CONSERVATION PROGRAM RESULTS

Celeste Whitlow explained the obstacles that staff have observed in accurately reporting water savings experienced by customers. Larry Vierheilig suggested that the District needed feedback from all customers who had participated in programs to determine if their basis for water use had changed over time. Bruce Buel suggested that trends in the water use of participating customers could be compared to overall water use trends. Mike Winn favored a comparison of participating customers to similar nearby customers. The Committee directed staff to bring back ideas on these and other comparisons. There was no public comment.

MINUTES OF THE 2/23/09 MEETING OF THE

WATER CONSERVATION COMMITTEE

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5. DISCUSS TURF REPLACEMENT PROGRAM

Celeste Whitlow summarized her concept for developing a Pilot Program for turf replacement within the District whereby ten single family residential customers would be provided rebates to convert between 250 and 500 square feet of turf with drought tolerant landscapes. The Committee favored an open process so that a wide range of customers could apply. There was no public comment.

6. ADJOURNMENT

Chairman Winn adjourned the meeting at 11:43am.

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NIPOMO COMMUNITY SERVICES DISTRICT

MARCH 2, 2009

MINUTES FINANCE AND AUDIT COMMITTEE

1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE

Chairman Vierheilg called the meeting to order at 1:00 p.m. Both Chairman Vierheilg and Director Harrison were in attendance along with staff members Bruce Buel, Lisa Bognuda, Peter Sevcik and Tina Grietens. Members of the public included Bill Petrick.

2. REVIEW THE FOLLOWING FOR INCLUSION IN THE 2009-2010 FISCAL YEAR BUDGET:

- **PROPOSED CAPITAL IMPROVEMENT PROJECTS (Pages 1-3)**
- **PROPOSED REPLACEMENT PROJECTS (Page 4)**
- **PROPOSED FIXED ASSET PURCHASES (Page 5)**
- **PROPOSED MAJOR OPERATIONS & MAINTENANCE ITEMS (Page 6)**
- **PROPOSED STAFFING (Page 7)**
- **PROPOSED CONSERVATION AND PUBLIC OUTREACH BUDGET (Page 8-9)**

This was the Kick-Off meeting for budget preparation. The purpose of this meeting was to receive input from the Committee prior to preparing the draft budget.

- **PROPOSED CAPITAL IMPROVEMENT PROJECTS (Pages 1-3)**

On Pages 1 and 2, the Committee asked staff to make minor corrections to the wording and re-order the Supplemental Water Project descriptions. On Page 3, the Committee recommended the Desalination item be reduced from \$500,000 to \$100,000 and the Blacklake refurbishment be increased from \$30,000 to \$130,000.

- **PROPOSED REPLACEMENT PROJECTS (Page 4)**

On Page 4, staff recommended the Tank Coating and Repairs be increased from \$100,000 to \$325,000. Staff recommended the Aerators be reduced to \$15,000 from \$30,000 and Lift Station refurbishments of \$100,000 be included.

- **PROPOSED FIXED ASSET PURCHASES (Page 5)**

On Page 5, staff requested that vehicle stands be included with the tough books increasing the amount from \$20,000 to \$25,000. Preventive Maintenance Software, Training and Implementation of \$80,000 be included. It should also be noted that the one old backhoe and one old tractor will be surplus when the new backhoe is acquired. Staff will prepare a cost benefit analysis for the lab and present their findings to the Committee.

- **PROPOSED MAJOR OPERATIONS & MAINTENANCE ITEMS (Page 6)**

No modifications made to Page 6.

- **PROPOSED STAFFING (Page 7)**

There were no modifications made to Page 7, however, staff will prepare a cost benefit analysis of hiring two additional workers and purchasing the necessary equipment to jet sewer lines and exercise valves and flush hydrants and present their findings to the Committee.

- **PROPOSED CONSERVATION AND PUBLIC OUTREACH BUDGET (Page 8-9)**

On Page 9, the Committee recommended reducing washing machine rebates to \$75.00 from \$150.00 and the Administrative Cost to \$20.00 from \$50.00. The Committee also recommended reducing the turf replacement program from \$4,800 to \$2,400 to reflect the maximum square footage of 500 square feet and not 1000 square feet.

MINUTES OF THE MARCH 2, 2009 MEETING OF THE
FINANCE AND AUDIT COMMITTEE

Bill Petrick, NCSD Customer, commented on the Capital Improvement Projects, the Blacklake projects agreed to during the merger and the allocation of project costs to Blacklake Sewer Fund. He recommended the Oversight Committee look at these items once the Committee is formed.

3. CONSIDER EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)

Staff presented the computation for the COLA based on Resolution 2006-1000. The COLA computation is computed at 3.61%. There was not public comment.

Upon motion of Director Harrison and seconded by Director Vierheilig, the Committee unanimously approved forwarding the recommendation of 3.61% COLA to the Board of Directors for fiscal year 2009-2010.

4. REVIEW TERMINOLOGY USED IN THE BUDGET DOCUMENT

This item was continued to the next meeting.

5. INSPECTOR/PREVENTIVE MAINTENANCE SUPERVISOR

This item was continued to the next meeting.

6. SET NEXT MEETING DATE

The next meeting of the Finance and Audit Committee will be on Monday, March 16, 2009, at 9:00 a.m.