

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: MAY 22, 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 5/13/09 Regular Meeting and 5/20/09 Special Meeting
- D-3) AMEND LEGAL SERVICES AGREEMENT WITH SHIPSEY AND SEITZ
[RECOMMEND APPROVAL]
- D-4) NOT USED
- D-5) ADOPT SUPPORT POSITION FOR AB1366 PASSAGE [RECOMMEND
APPROVAL]
- D-6) RETAIN UTILITY COST MANAGEMENT TO INVESTIGATE POTENTIAL
OVERPAYMENT OF DISTRICT ELECTRIC BILLS [RECOMMEND APPROVAL]
- D-7) ADOPT OPPOSE POSITION TO GOVERNOR'S PROPOSAL TO SUSPEND
PROPOSITION 1A OF 2004 RE LOCAL GOVERNMENT PROPERTY TAXES
[AUTHORIZE PUBLICATION OF OPPOSITION]

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TO: BOARD OF DIRECTORS
 FROM: BRUCE BUEL
 DATE: MAY 22, 2009

**AGENDA ITEM
 D-1
 MAY 27, 2009**

**TOTAL COMPUTER
 CHECKS
 \$210,811.41**

HAND WRITTEN CHECKS

05-11-09	19910	J HARRISON	100.00
05-11-09	19911	L VIERHEILIG	100.00
05-11-09	19912	E EBY	100.00
05-11-09	19913	M WINN	100.00
05-18-09	19914	SLO RECORDER	2,768.25
05-18-09	19915	E EBY	100.00
05-18-09	19916	M WINN	100.00
05-20-09	19917	D JOHNSON	50.00
05-27-09	19918	MCDONOUGH, HOLLAND & ALLEN	100.00

VOID - 19909

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
16513	05/15/09	EMP01	EMPLOYMENT DEVELOP DEPT	916.13	.00	916.13	A90511	STATE INCOME TAX
16514	05/15/09	MID01	RABOBANK-PAYROLL TAX DEPO	2784.60 791.44	.00 .00	2784.60 791.44	A90511 1A90511	FEDERAL INCOME TAX MEDICARE (FICA)
			Check Total.....	3576.04	.00	3576.04		
16515	05/15/09	MID02	RABOBANK-DIRECT DEPOSIT	23887.56	.00	23887.56	A90511	NET PAY
16516	05/15/09	PER01	PERS RETIREMENT	7594.99	.00	7594.99	A90511	PERS PAYROLL REMITTANCE
16517	05/15/09	STA01	ING-PERS 457 DEFERRED COM	1125.00	.00	1125.00	A90511	457 DEFERRED COMP
016518	05/20/09	EBY01	EBY, ED	100.00	.00	100.00	052009	SPECIAL BD MEETING 052009
016519	05/20/09	HAR02	HARRISON, JAMES	100.00	.00	100.00	052009	SPECIAL BD MEETING 052009
016520	05/20/09	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	052009	SPECIAL BD MEETING 052009
016521	05/20/09	WIN01	WINN, MICHAEL	100.00	.00	100.00	052009	SPECIAL BD MEETING 052009
016522	05/27/09	ABA01	ABALONE COAST BACTERIOLOG	20.00 20.00 175.00 176.00 20.00 20.00 20.00 20.00 175.00 20.00 20.00 176.00 20.00 14.40 20.00	.00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00 .00	20.00 20.00 175.00 176.00 20.00 20.00 20.00 20.00 175.00 20.00 20.00 176.00 20.00 14.40 20.00	09-945 09-960 09-961 09-968 09-969 09-974 09-990 09-999 09-1007 09-1008 09-1023 09-1024 09-1032 09-1037 09-1039	BL WWTF LAB BL WWTF LAB WATER SAMPLES TOWN WWTF LAB BL WWTF LAB BL WWTF LAB BL WWTF LAB BL WWTF LAB WATER SAMPLES BL WWTF LAB BL WWTF LAB TOWN WWTF LAB BL WWTF LAB TOWN WATER SAMPLES BL WWTF LAB
			Check Total.....	916.40	.00	916.40		
016523	05/27/09	AME03	AMERI PRIDE	113.13 113.13 113.13	.00 .00 .00	113.13 113.13 113.13	F762746 F768216 F773617	UNIFORMS ETC UNIFORMS ETC UNIFORMS ETC
			Check Total.....	339.39	.00	339.39		
016524	05/27/09	ATT01	AT&T/MCI	185.41	.00	185.41	611877	PHONE
016525	05/27/09	BRE02	BRENTAG PACIFIC INC.	683.20 727.94	.00 .00	683.20 727.94	BPI895649 BPI895650	CHLORINE CHLORINE
			Check Total.....	1411.14	.00	1411.14		
016526	05/27/09	CAL03	CALIFORNIA ELECTRIC SUPPL	3016.89	.00	3016.89	774220	TOWN WWTF SUPPLIES
016527	05/27/09	CAL16	CALPERS	28250.00	.00	28250.00	A90521	QUARTERLY OPEB CONTRIBUTI

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS MAY 22, 2009**

**AGENDA ITEM
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
016528	05/27/09	CAN02	CANNON ASSOCIATES	375.00	.00	375.00	46251	EUREKA WELL MAINT
				612.50	.00	612.50	46252	BL WWTF ALARM MAINT
				1497.11	.00	1497.11	46253	LA MIRADA LIFT STN MAINT
				1275.00	.00	1275.00	46254	SUNDALE WELL ELEC
				4465.33	.00	4465.33	46255	OLYMPIC WELL SCADA
				3190.00	.00	3190.00	46256	EUREKA WELL RADIO DESIGN
			Check Total.....:	11414.94	.00	11414.94		
016529	05/27/09	COA01	COASTLINE EQUIPMENT	546.48	.00	546.48	4913095	TRACTOR BATTERY
016530	05/27/09	CWE01	CWEA	132.00	.00	132.00	050109	MEMBERSHIP - BREWER
016531	05/27/09	EBY01	EBY, ED	100.00	.00	100.00	052709	REG BD MEETING 052709
016532	05/27/09	FGL01	FGL ENVIRONMENTAL	384.00	.00	384.00	904126A	WATER SAMPLES
				24.00	.00	24.00	904134A	BEV WELL SAMPLE
				56.00	.00	56.00	904135A	BL WWTF LAB
				212.00	.00	212.00	904137A	TOWN WWTF LAB
			Check Total.....:	676.00	.00	676.00		
016533	05/27/09	FIS01	FISHER PUMP SERVICE	29426.25	.00	29426.25	1029	KNOLLWOOD WELL PUMP
016534	05/27/09	FUG01	FUGRO WEST, INC.	13948.50	.00	13948.50	3596 4 4	SOUTHLAND DISCHARGE STUDY
				435.00	.00	435.00	3596 5 4	SOUTHLAND DISCHARGE STUDY
			Check Total.....:	14383.50	.00	14383.50		
016535	05/27/09	GOV01	GOVERNMENT FINANCE OFFICE	160.00	.00	160.00	25001	MEMBERSHIP RENEWAL
				160.00	.00	160.00	0025001	MEMBERSHIP DUES
			Check Total.....:	320.00	.00	320.00		
016536	05/27/09	HAM02	HAMNER JEWELL & ASSOCIATE	1117.50	.00	1117.50	4455	CONSULTING ON WATERLINE P
016537	05/27/09	HAR02	HARRISON, JAMES	100.00	.00	100.00	052709	REG BD MEETING 052709
016538	05/27/09	HAR05	HARRISON, JAMES	1238.39	.00	1238.39	A90519	REIMBURSE LEGISLATIVE DAY
016539	05/27/09	HAY01	HAYES ADVANCED DESIGN	750.00	.00	750.00	501886	PAVE CRYSTAL WAY
016540	05/27/09	HOM01	HOME MOTORS	483.52	.00	483.52	2257	04 CHEVY MAINT
016541	05/27/09	ITT01	ITT WATER & WASTEWATER US	15275.88	.00	15275.88	7529790	LIFT STN REHAB
016542	05/27/09	JOH01	JOHNSON, DONNA	86.10	.00	86.10	050209	REIMBURSE SUPPLIES
016543	05/27/09	KAR01	PAUL J. KARP, P.E.	2936.05	.00	2936.05	34	PEER REVIEW-WATERLINE PRO
016544	05/27/09	LIN02	LINC DELIVERY	242.00	.00	242.00	49752+	LAB DELIVERY
016545	05/27/09	MAC01	MACH SECURITY SOLUTIONS	887.74	.00	887.74	5207	SECURITY UPDATE
016546	05/27/09	MCD01	McDONOUGH HOLLAND & ALLEN	100.00	.00	100.00	062609	SEMINAR 6-26-09
016547	05/27/09	MNS01	MNS ENGINEERS INC	4635.00	.00	4635.00	58215	WATERLINE INTERTIE PRE-CO
016548	05/27/09	MOR02	MORE OFFICE SOLUTIONS	373.59	.00	373.59	487028	COPIER MAINT
016549	05/27/09	NEX01	NEXTEL COMMUNICATIONS	387.65	.00	387.65	87314-090	CELL PHONES
016550	05/27/09	PER04	PERRY'S ELECTRIC MOTORS	1668.52	.00	1668.52	9689	BL WWTF MOTOR REWIND
016551	05/27/09	POS02	FRANCOTYP-POSTALIA, INC.	557.92	.00	557.92	90183336	POSTAGE MACHINE
016552	05/27/09	QUI01	QUILL CORPORATION	223.09	.00	223.09	6666216	OFFICE SUPPLIES
016553	05/27/09	RAB01	RABOBANK	74.00	.00	74.00	052109	BD MEETING SUPPLIES
				63.24	.00	63.24	052109 P	POSTAGE
				25.00	.00	25.00	052109WIP	NOTICE OF DETERMINATION W
			Check Total.....:	162.24	.00	162.24		
016554	05/27/09	SAN09	SAN LUIS MAILING SERVICE	185.06	.00	185.06	40168	MAILING BILLS
				1032.10	.00	1032.10	40168B	POSTAGE FOR BILLS
			Check Total.....:	1217.16	.00	1217.16		
016555	05/27/09	SHI01	SHIPSEY & SEITZ, INC	13367.00	.00	13367.00	041509	LEGAL SERVICES
016556	05/27/09	SLO01	SAN LUIS OBISPO COUNTY	128.75	.00	128.75	5161	ENCRMNT PERMIT

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS MAY 22, 2009**

**AGENDA ITEM
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
016557	05/27/09	STA03	STATEWIDE SAFETY & SIGNS	8.22	.00	8.22	69646	SUPPLIES
016558	05/27/09	TAF01	TAPT ELECTRIC	19579.00	.00	19579.00	30507	MAINT YARD GATES
016559	05/27/09	TEC02	TECHNICAL CONSULTANTS INT	6741.65	.00	6741.65	2758	DOCUMENT SCANNING
016560	05/27/09	TRI03	THE TRIBUNE	73.80	.00	73.80	6808873	PUBLIC NOTICE
016561	05/27/09	UNI03	UNITED RENTALS	483.59	.00	483.59	043009	EUREKA WELL RADIO TEST
016562	05/27/09	VAN01	VAN SCOYOC ASSOCIATES	4500.00	.00	4500.00	30848	LOBBYING SERVICES FOR MAY
016563	05/27/09	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	052709	REG BD MEETING 052709
016564	05/27/09	WAL01	WALLACE GROUP	174.68	.00	174.68	27773	GIS SERVICES
				2719.50	.00	2719.50	27774	GIS ATLAS REPRO
				624.75	.00	624.75	27839	PARKS PROPERTY TAX
			Check Total.....:	3518.93	.00	3518.93		
016565	05/27/09	WIN01	WINN, MICHAEL	100.00	.00	100.00	052709	REG BD MEETING 052709
016566	05/27/09	WOO01	DOUGLAS WOOD & ASSOCIATES	325.00	.00	325.00	14	WATERLINE INTERTIE
				825.00	.00	825.00	MILLER 1	MILLER PARK ASSMT DIST
			Check Total.....:	1150.00	.00	1150.00		

NIPOMO COMMUNITY SERVICES DISTRICT

Wednesday, May 20, 2009

9:00 A. M.

SPECIAL MEETING DRAFT MINUTES

BOARD of DIRECTORS

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

PRINCIPAL STAFF

BRUCE BUEL, GENERAL MANAGER
LISA BOGNUDA, ASSIST. GENERAL MANAGER
DONNA JOHNSON, BOARD SECRETARY
JON SEITZ, GENERAL COUNSEL
PETER SEVCIK, DISTRICT ENGINEER

MEETING LOCATION

District Board Room
148 S. Wilson Street
Nipomo, California

Public comment will be received on Agenda items.

00:00:00

A. CALL TO ORDER, ROLL CALL, AND FLAG SALUTE

President Harrison called the May 20, 2009 Special Board Meeting of the Nipomo Community Services District to order at 9:00 a.m. and led the flag salute.

B. REVIEW THE BASIS OF ASSESSMENT FOR FINANCING THE CAPITAL COST OF WATERLINE INTERTIE PROJECT

BOARD ACTION REQUESTED: Provide Policy Guidance

Mr. Buel, General Manager, presented the third research report to raise the capital portion of the supplemental water intertie project. The Infrastructure Committee met on Monday, May 18, 2009, and recommended approval of Staff recommendations #1 and #2 and requested Board additional information and input on Staff recommendations #3 and #4. A letter from the Home Builders Association was presented to the Board of Directors in support of the assessment district.

District Legal Counsel, Jon Seitz, stated the Board of Directors is being asked to provide policy guidelines for a course of action for Staff to follow. These policy guidelines do not prohibit the Board of Directors from changing their minds or course of action in the future. The policy guidelines will be given will be put into the draft Engineer's Report.

The Board of Directors asked many questions of Staff and Kari Wagner of Wallace Group.

Greg Nester, NCSD resident, thanked Staff and Mr. Setiz for spending time with the Home Builders Association and stated they support the assessment district approach to spread the cost across the community.

Bill Kengel, developer, asked if the assessment district include the entire mesa and stated that landscape irrigation should be limited or charged heavily because they are the biggest users.

Mr. Buel suggested the Board of Directors review each Staff recommendation individually.

NIPOMO COMMUNITY SERVICES DISTRICT
Wednesday, May 20, 2009
9:00 A. M.
SPECIAL MEETING DRAFT MINUTES

B. REVIEW THE BASIS OF ASSESSMENT FOR FINANCING THE CAPITAL COST OF WATERLINE INTERTIE PROJECT (CONT)

Recommendation #1 – How much of NCSD's Water Reserves should be pledged to offset borrowing?

There was no public comment.

Upon motion of Director Winn and seconded by Director Eby, the Board of Directors unanimously approved staff's recommendation. Vote 4-0

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

Recommendation #2 – What formula should be used to determine the split between developed and underdeveloped properties?

There was no public comment.

Upon motion of Director Eby and seconded by Director Winn, the Board of Directors unanimously approved staff's recommendation. Vote 4-0

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

Recommendation #3 – Should the assessment cover the WIP capital cost or should it cover both the WIP capital cost and the capital portion of the Santa Maria water purchase?

Bill Kengel, developer, stated landscaping should be limited.

Upon motion of Director Winn and seconded by Director Vierheilig, the Board of Directors unanimously approved staff's recommendation. Vote 4-0

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

Recommendation #4 – How much should the Supplemental Water Capacity Charge be reduced?

Mr. Buel stated that his computation was an estimate and that with any AB 1600 fee, an Engineering Study would have to be completed to determine the exact amount. Mr. Buel would recommend that Wallace Group perform that study when the time comes. The remaining Supplemental Water Capacity Charge would be contributed to the desalination project.

There was no public comment.

Upon motion of Director Harrison and seconded by Director Winn, the Board of Directors directed the General Manager to request bids to prepare an engineering report to determine the new Supplemental Water Capacity Charge. Vote 4-0

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

NIPOMO COMMUNITY SERVICES DISTRICT
Wednesday, May 20, 2009
9:00 A. M.
SPECIAL MEETING DRAFT MINUTES

At 10:30 a.m. the Board of Directors took a ten minute break.

01:30:45

C. REVIEW DRAFT FISCAL YEAR 2009-2010 BUDGET

BOARD ACTION REQUESTED: Give direction to Staff to prepare final draft fiscal year 2009-2010 Budget for Public Hearings set for June 10 and June 24.

Staff reviewed the budget preparation process and presented the budget to the Board. The Board of Directors asked questions and suggested minor corrections. The Public Hearings are set for June 10 and June 24.

There was no public comment. No action was taken.

D. ADJOURNMENT

The meeting was adjourned at 11:05 a.m.

NIPOMO COMMUNITY SERVICES DISTRICT

D2

Celebrating 44 - Years of Service 1965 - 2009

DRAFT MINUTES

MAY 13, 2009 AT 9AM

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

JAMES HARRISON, **PRESIDENT**
LARRY VIERHEILIG, **VICE PRESIDENT**
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 its customers with reliable, quality, and cost-effective services now and in the future.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Harrison called the May 13, 2009 Regular Board meeting to order at 9:00 a.m. and led the flag salute.

00:00:24

B. ROLL CALL

At Roll Call, the following directors were present:
Directors Eby, Winn, Vierheilig and Harrison

00:00:36

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) NCSD DISTRICT ENGINEER PETER SEVCIK Update re: Project Activities in April 2009

Peter Sevcik, District Engineer, reviewed the information provided in the Board report. Mr. Sevcik answered questions from the Board. The Board thanked Mr. Sevcik for his report.

C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST Receive Announcements from Directors Items of District & Community Interest

Director Winn

April 29, 2009 – Housing Development Update at the South County Regional Center

May 1, 2009 – DWR meeting concerning Regional Plans by the year 2020.

Cindy Forbes, Chief of Operations, from Fresno was in attendance. The State is pushing for all mutual water company wells to be metered.

May 9, 2009- met with Barbara Mann, LAFCo rep and Oceano CSD director. A report on gradient will be sent to the District soon.

May 14, 2009 – Planning Commission meeting concerning Open Space Element

May 18, 2009 – SCAC Land Use meeting at 9:00 a.m. in the District Board room

May 19, 2009 – SLO County Board of Supervisors will be discussing the Growth Management Ordinance and other things

May 22, 2009 – CSDA meeting in SLO with John Wallace at 11:30 a.m.

May 25, 2009 – SCAC (South County Advisory Committee) 6:30 p.m. in the NCSD Board Room

Director Eby

May meeting of LAFCo has been canceled. There will be one in June.

May 17, 2009 – Concert, starring Dave Stamey, to benefit Dana Adobe. Tickets - \$22.00
Noted that his water bill was 25% less than last bill. Some adjustments were made on the sprinklers.

MINUTES SUBJECT TO BOARD APPROVAL

Copy of document found at www.NoNewWipTax.com

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST
Receive Announcements from Directors Items of District & Community Interest

Director Vierheilig

Noted that his water bill was 27% less than last year.

May 18, 2009 – meeting at 6:30 p.m. at Oceano CSD – Pier Ave off-highway vehicle access.

- C-3) PUBLIC COMMENT ON ITEMS NOT ON AGENDA
There was no public comment.

00:26:20

D. CONSENT AGENDA

Director Vierheilig asked to pull Item D-3 for separate consideration.

- D-1) APPROVE WARRANTS
- D-2) APPROVE BOARD MEETING MINUTES
Approve Minutes of 4/22/08 Regular Meeting
- D-4) APPROVAL OF THE ENGINEER'S LEVY REPORT AND DECLARATION OF INTENTION TO LEVY ANNUAL ASSESSMENTS FOR STREET LANDSCAPE MAINTENANCE DISTRICT #1 FOR FY2009-10

RESOLUTION NO. 2009-1138
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
GRANTING APPROVAL OF THE ANNUAL ENGINEER'S LEVY REPORT
FOR THE STREET LANDSCAPE AND MAINTENANCE DISTRICT NO. 1
FOR FISCAL YEAR 2009-2010

RESOLUTION NO. 2009-1139
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO
LEVY ANNUAL ASSESSMENTS FOR THE STREET LANDSCAPE AND
MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2009-2010

- D-5) AUTHORIZE SUBMITTAL OF "YES" VOTE ON PROPOSED CSDA BYLAWS AMENDMENT
- D-6) APPROVE QUARTERLY FINANCIAL STATEMENT
- D-7) APPROVE QUARTERLY INVESTMENT STATEMENT

Upon motion by Director Winn and seconded by Director Vierheilig, the Board unanimously approved Items D-1, 2, 4, 5, 6 & 7 of the Consent Agenda. Vote 4-0.

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

- D-3) AUTHORIZE EXECUTION OF MUTUAL ASSISTANCE AGREEMENT ENABLING MEMBERSHIP IN CALIFORNIA WATER/WASTEWATER AGENCY RESPONSE NETWORK

Director Vierheilig would like to see the resolution to include what the worst-case scenario might be. He would also like to know the financial effects of the program. Director Eby would like to know the financial liability for the District.

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

D-3) AUTHORIZE EXECUTION OF MUTUAL ASSISTANCE AGREEMENT ENABLING MEMBERSHIP IN CALIFORNIA WATER/WASTEWATER AGENCY RESPONSE NETWORK (CONT)

Peter Sevcik, District Engineer, explained some of the workings of the agreement. The Board suggested some minor changes in the agreement.

Upon motion by Director Eby and seconded by Director Winn, the Board unanimously adopted Resolution 2009-1140, as amended, authorizing participation in CALWARN. There was no public comment. Vote 4-0.

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

**RESOLUTION NO. 2009-1140
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING PARTICIPATION IN CALWARN**

00:47:26

E. ADMINISTRATIVE ITEMS

E-1) APPROVE WATERLINE INTERTIE PROJECT AND AUTHORIZE FILING OF NOTICE OF DETERMINATION

Bruce Buel, General Manager, explained that comments on the Draft Waterline Intertie Project Concept Design Report were received from the community, the Peer Review Panel, the Projects Committee and the Board. Director Eby suggested a change in Declaration #7 of the resolution.

Doug Wood, Douglas Wood and Associates and environmental consultant to the District for this project, explained that resolution covers the approved EIR. He also answered questions from the Board.

The following member of the public spoke:

Rob Saperstein, Golden State counsel, stated that he appreciates the leadership the District has taken in this project. He answered questions from the Board concerning Golden State dealing with the PUC.

Upon motion by Director Eby and seconded by Director Vierheilig, the Board unanimously adopted Resolution 2009-1141, as amended, approving the waterline intertie project. Vote 4-0.

**RESOLUTION NO. 2009-1141
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY
SERVICES DISTRICT ADOPTING CEQA FINDINGS OF FACT FOR THE NCS
D INTERTIE PROJECT; ADOPTING A STATEMENT OF OVERRIDING
CONSIDERATIONS; ADOPTING A PROJECT MITIGATION MONITORING PLAN;
APPROVING THE NCS D WATERLINE INTERTIE PROJECT; AND AUTHORIZING
THE FILING OF THE NOTICE OF DETERMINATION**

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

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

01:05:41

E-2) REVIEW PROPOSALS AND AUTHORIZE EXECUTION OF AGREEMENT WITH RATE CONSULTANT TO PREPARE 2010-2014 WATER SYSTEM FINANCIAL PLAN AND RATE STUDY

Bruce Buel, General Manager, explained that District staff circulated a Request for Proposal to five firms to prepare a 2010-2014 water system financial plan and rate study. Three firms responded: Entrix, The Reed Group and Tuckfield & Associates. The Board discussed the proposals. There was no public comment.

Upon motion by Director Vierheilg and seconded by Director Winn, the Board unanimously agreed to authorize the General Manager to execute a standard agreement with Tuckfield & Associates to perform the tasks described in the proposal on a time-and materials basis with a not-to-exceed expenditure limit of \$25,600. There was no public comment. Vote 4-0.

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

The Board took a break at 10:14 a.m. and resumed the meeting at 10:25 a.m.

01:12:57

E-3) REVIEW PROPOSALS AND AUTHORIZE EXECUTION OF AGREEMENT WITH CONSTRUCTION MANAGEMENT FIRM FOR PHASE 1 OF SOUTHLAND WASTEWATER UPGRADE PROJECT

Bruce Buel, General Manager, explained that staff circulated a Request for Proposal to eleven firms to prepare a proposal for construction management during the Southland Wastewater Treatment Facility Upgrade Project. Seven firms submitted proposals: Cannon, Covello, MNS, Penfield and Smith, URS, Vanir/Wallace and WSC. The Board discussed the proposals.

The following members of the public spoke:

Kim Lindberry, MNS Engineers rep, stated that she could see no cost shifting unless there were significant changes in the work needed.

Mr. Buel explained that the reason for approving only Phase 1 of the project is to see how the project progresses and give greater flexibility.

Josh Reynolds, AECOM project engineer, has been studying alternatives on the project. He answered questions from the Board.

Upon motion by Director Vierheilg and seconded by Director Winn, the Board unanimously authorized the General Manager to execute a standard agreement with MNS to perform the tasks described in the attached proposal on a time and materials basis with a not-to-exceed expenditure limit of \$33,738 for Phase 1 tasks; and authorized staff to negotiate a proposal from MNS to perform the Phase 2 scope of work for consideration by the Board after completion of Phase 1 services. Vote 4-0.

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

01:27:35

E-4) DISCUSS OPTIONS FOR REGULATION OF MUTUAL WATER COMPANIES

Mr. Buel introduced James Markman, Special Water Counsel for the District, James Markman presented information concerning water rights for mutual water companies and public districts.

The Board discussed issues with Mr. Markman

The Board directed staff to gather information on mutual water companies for presentation to the Board. President Harrison thanked Mr. Markman for attending the NCSD meeting.

The Board considered Item E-6 next.

02:16:30

E-6) AUTHORIZE PURCHASE OF CONSERVE TRACK SOFTWARE AND AMEND FY08-09 BUDGET

Bruce Buel, General Manager, explained the proposal to purchase software to track water use. The Board had requested staff to account for measures implemented within the Water Conservation Program. Staff researched software programs.

Celeste Whitlow, Water Conservation Coordinator, answered questions from the Board concerning the type of system proposed.

Upon motion by Director Winn and seconded by Director Vierheilig, the Board approved Resolution 2009-1142 authorizing the purchase, installation, and other start-up charges for the ConserveTrak water-conservation software program. Vote 3-1 with Director Harrison voting no.

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

**RESOLUTION NO. 2009-1142
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING THE PURCHASE OF WATER CONSERVATION SOFTWARE
AS A SOLE SOURCE ACQUISITION**

The Board considered Item E-7 next.

02:27:22

E-7) CONSIDER REQUEST FROM PRESIDENT HARRISON TO SCREEN QUAD TANKS

Bruce Buel, General Manager, explained that President Harrison had requested that the Board discuss the possibility of using vegetation to screen the water tanks at the east end of Tefft Street.

President Harrison stated that a community member had inquired what it would take to make the tanks more pleasing to the eye.

Peter Sevcik, District Engineer, explained that there are State and Federal guidelines regarding the screening of water facilities.

The Board discussed several possibilities but no action was taken. There was no public comment.

The Board considered Item E-8 next.

MINUTES SUBJECT TO BOARD APPROVAL

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

02:38:33

E-8) CONSIDER REQUEST FROM DIRECTOR WINN TO DISCUSS VECTOR CONTROL BALLOT MEASURE

Bruce Buel, General Manager, explained that Director Winn requested that the Board discuss the pending Vector Control Ballot Measure proposed by SLO County. The Board discussed the matter. There was no public comment. There was no action taken on this item.

The Board considered Closed Session next.

02:46:22

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced the following to be considered in Closed Session:

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL PENDING LITIGATION GC§54956.9 SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; MARIA VISTA ESTATES VS. NCSO ET AL. (CASE NO. ND07-10362RR IN UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT, NORTHERN DIVISION)
3. CONFERENCE WITH LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9; NCSO VS. COUNTY OF SAN LUIS OBISPO, ET AL (CASE NO. CV090010)
4. INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956 (ONE CASE)

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public present to comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:00 p.m.

02:47:44

L. OPEN SESSION
ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:34 p.m.

Jon Seitz, District Legal Counsel, reported the following:
The Board heard an update on the items listed above. There was no reportable action.

The Board considered Item E-5 next.

02:47:55

E-5) RECEIVE AND EDIT ROUGH DRAFT STRATEGIC PLAN AND SET PROCESS FOR ADOPTION

Bruce Buel, General Manager, explained that the Board had conducted a Strategic Plan Workshop with Brent Ives in February of 2009. Mr. Ives and staff were directed to produce a rough draft Strategic Plan for the District.

MINUTES SUBJECT TO BOARD APPROVAL

Copy of document found at www.NoNewWipTax.com

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

E-5) RECEIVE AND EDIT ROUGH DRAFT STRATEGIC PLAN AND SET PROCESS FOR ADOPTION (CONT)

Brent Ives, BHI Consulting, reviewed the rough draft Strategic Plan with the Board. The Board discussed the plan and suggested some changes to the document.

The Board directed staff to schedule adoption for the June 24, 2009 Board meeting.

04:04:45

F. MANAGER'S REPORT

Bruce Buel, General Manager, reviewed the May 8th meeting. Mr. Buel answered comments and questions from the Board. There was no public comment.

04:19:28

G. COMMITTEE REPORT

1. April 20, 2009 Supplemental Water Project Committee Meeting
2. May 4, 2009 Water Conservation Committee Meeting

Bruce Buel, General Manager, stated that the report is as submitted. There was no public comment.

04:19:38

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilig

Asked how the interviews went. (Answer: Mr. Buel stated that there is a candidate for the maintenance position who is in the hiring process. Also, there were three candidates set up to be interviewed for the inspector position.)

Mr. Nester has asked about automatic extensions of Intent-to-Serve letters. He is waiting for word from the County.

Director Eby

He asked if anyone knows what, if any, liabilities the NCSD had extended to accommodate Mr. Newman's project. (Answer: No liabilities have been incurred.)

Director Winn

Board of Supervisors looked at automatic time extensions for projects.

Asked to have a study session on the Santa Maria Valley 2008 Annual Report.

Would like more detail in the development of bio-solids regulations.

Cal-Fire requests of NCSD

- o To use the standpipe for a training day (Director Winn told them to contact the General Manager)
- o Design specs for 1" line fire sprinklers (Mr. Buel stated that some organizations are designing specs now and this District will pursue this at a later date.)

He received materials about self-regenerating water softeners (Mr. Buel will bring this subject to the next meeting.)

Pete Jenny retired from the County.

Mr. Kengel contacted Supervisor Achadjian about his project.

Director Harrison

He has a meeting with Mr. Kengel on Tuesday.

ADJOURN

President Harrison adjourned the meeting at 3:20 p.m.

MINUTES SUBJECT TO BOARD APPROVAL

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MAY 22, 2009



AMEND LEGAL SERVICES AGREEMENT WITH SHIPSEY AND SEITZ

ITEM

Amend legal services agreement with Shipsey and Seitz [Recommend Approval]

BACKGROUND

District Legal Counsel, Jon Seitz, of Shipsey and Seitz, Inc. has submitted a request to increase the hourly rates for legal services provided to the District. The last request and approval for increase in hourly rates for legal services was fiscal year 2007-2008.

Mr. Seitz is requesting a Consumer Price Index (CPI) increase of 3.6%. The Board of Directors previously approved a 3.6% CPI increase for its employees effective July 1, 2009.

FISCAL IMPACT

The requested increase has been included in the 2009-2010 budget.

RECOMMENDATION

Staff recommends that the Board approve the request.

ATTACHMENTS

- Letter from Shipsey and Seitz

JON S SEITZ
MICHAEL W SEITZ

SHIPSEY & SEITZ, INC.
A LAW CORPORATION
1066 PALM STREET
POST OFFICE BOX 953
SAN LUIS OBISPO, CALIFORNIA 93406
(805) 543-7272 FAX (805) 543-7281
JON S. SEITZ
District Legal Counsel
Nipomo Community Services District

JOHN L SEITZ
(1924-1986)
GERALD W SHIPSEY
(RETIRED)

May 1, 2009

VIA E-MAIL AND 1ST CLASS MAIL

Bruce Buel, General Manager
Nipomo Community Services District
148 S. Wilson
Nipomo, CA 93444

Re: Nipomo Community Services District 2009-2010 Attorney Fees

Dear Bruce:

For the Nipomo Community Services District's budget preparation and pursuant to the 2007 approved rate proposal (attached), please accept the following CPI calculation for Fiscal Year 2009-2010.

The 2007 rate proposal provides for an annual adjustment of attorneys fees pursuant to the District's standard CPI for rate adjustments not to exceed 5% (five percent). Shipsey & Seitz, Inc. did not propose a CPI adjustment for FY 08-09, therefore, this proposal is based on the FY 07-08 attorneys fees represented in the attached letter.

We suggest using an average of the annual increase for the Consumer Price Index (CPI) of the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose. Using the average of these two Consumer Price Indexes, we compute the increase to be 3.61% (three point six one percent) or 3.6% (three point six percent).

Using the above CPI formula, the hourly rates, by category, would be increased as follows:

Preparation and Attendance at Regular Meetings

One hundred and forty-five dollars (\$145)(current rate) times three point six percent (3.6%) equals five dollars and twenty-two cents (\$5.22). Five dollars and twenty-two cents (\$5.22) plus one hundred and forty-five dollars equals one hundred and fifty dollars (\$150) per hour (new rate).

$$\$145 \text{ (current rate)} \times 3.6\% = \$5.22 \text{ (CPI increase)}$$

$$\$145 \text{ (current rate)} + \$5.22 \text{ (CPI increase)} = \$150 \text{ (new rate)}$$

Nipomo Community Services District
General Manager
May 1, 2009
Page 2 of 2

Hourly Rate for Other Legal Services

One hundred and seventy dollars (\$170)(current rate) times three point six percent (3.6%) equals six dollars and twelve cents (\$6.12). Six dollars and twelve cents (\$6.12) plus one hundred and seventy dollars (\$170) equals one hundred and seventy-six dollars (\$176) per hour (new rate).

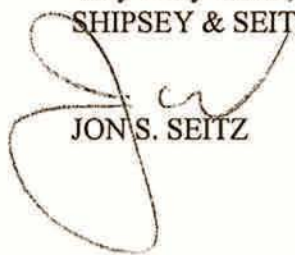
$$\$170 \text{ (current rate)} \times 3.6\% = \$6.12 \text{ (CPI increase)}$$

$$\$170 \text{ (current rate)} + \$6.12 \text{ (CPI increase)} = \$176 \text{ (new rate)}$$

Please advise if the CPI adjustment formula, as proposed in this letter, is acceptable.

If you should have questions or require additional information, please do not hesitate to give me a call.

Very Truly Yours,
SHIPSEY & SEITZ, INC.



JON S. SEITZ

JSS:ey
Cc: Michael W. Seitz

Enclosure

JON S. SEITZ
MICHAEL W. SEITZ

SHIPSEY & SEITZ, INC.
A LAW CORPORATION
1066 PALM STREET
POST OFFICE BOX 953
SAN LUIS OBISPO, CALIFORNIA 93406
(805) 543-7272 FAX (805) 543-7281
JON S. SEITZ
District Legal Counsel
Nipomo Community Services District

JOHN L. SEITZ
(1924-1986)
GERALD W. SHIPSEY
(RETIRED)

December 5, 2006

VIA E-MAIL AND 1ST CLASS MAIL

Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Attn: Larry Vierheilig, President
Michael Winn, Vice-President
Clifford Trotter, Director
Ed Eby, Director
James Harrison, Director
Bruce Buel, General Manager

Re: Attorney Fee Proposal for 2007 -2008

Dear Mr. President and Members of the Board:

Pursuant to the September, 2003 Fee Agreement, Shipsey and Seitz provides legal services to the Nipomo Community Services District ("District") under the categories of Retainer Services and Hourly Rates. Under the 2003 Agreement, Shipsey and Seitz charges seven hundred fifty dollars (\$750) per month for preparation and attendance at two (2) regular Board Meetings. Additionally, Shipsey & Seitz currently charges one hundred forty dollars (\$140) per hour for preparation of Ordinances, Resolutions, Memorandum, Contracts, attendance at meetings (other than regular Board meetings) and other general advice pertaining to District business. Lastly, under the 2003 Agreement, Shipsey and Seitz charges one hundred fifty-five dollars (\$155) per hour for litigation. A copy of the 2003 Letter Agreement is attached as a reference.

The District has recently performed an employee compensation survey that included surveying other districts for the hourly rates paid to their attorneys. That survey reflected that other attorneys serving special districts charge at two hundred thirty-five dollars (\$235) per hour, one hundred ninety dollars (\$190) per hour, one hundred seventy-five dollars (\$175) per hour and two districts are charged at one hundred fifty dollars (\$150) per hour. The average rate is one hundred eighty dollars (\$180) per hour. By eliminating the highest and one of the lowest hourly charges, the average hourly rate is one hundred seventy-two dollars (\$172) per hour.

SHIPSEY & SEITZ, INC. PROPOSAL 2007 - 2008

Preparation and Attendance at regular meetings

Shipsey & Seitz proposes to prepare and attend regular Board meetings as follows:

- One hundred thirty-five dollars (\$135) per hour from January 1, 2007 through June 30, 2007;
- One hundred forty-five dollars (\$145) per hour from July 1, 2007 through June 30, 2008;
- Commencing on July 1, 2008 and for the remainder of the Agreement the hourly rate would be adjusted annually by the District's standard CPI Clause for rate adjustments, not to exceed five percent (5%).

Hourly Rates

Shipsey & Seitz proposes to provide all other legal services, including preparation of Ordinances, Resolutions, Memorandum, Contracts, attendance at meetings (other than regular meetings), litigation and general advice pertaining to District business, as follows:

- One hundred sixty dollars (\$160) per hour from January 1, 2007 through June 30, 2007;
- One hundred seventy dollars (\$170) per hour from July 1, 2007 through June 30, 2008;
- Commencing on July 1, 2008 and for the remainder of the Agreement the hourly rate would be adjusted annually by the District's standard CPI Clause for rate adjustments, not to exceed five percent (5%).

These services would be performed at the request of management staff and/or the President of the Board. These fees would be charged in increments of one-tenth (1/10) per hour.

Expenses

Shipsey & Seitz does not expense the District for long distance phone calls, in-office photocopying, faxing, e-mailing, or secretarial time. Shipsey and Seitz would continue to expense the District, at its direct cost, for bulk photocopying

(i.e. photocopying service such as Kinko's) and extraordinary mailing (i.e. overnight or large items). Travel expenses would be billed pursuant to District's policies related to Director and Employee travel reimbursement

Continuing Education and Law Library

Shipsey and Seitz would continue to expense the District for out of pocket costs for: (a) continuing education (that relates to governmental agency representation); (b) specialized computer programs (that relate to governmental services or are obtained at a governmental rate); and (c) books and other materials on the subject of Special District representation. By agreement these costs would be split with other Special Districts that we represent as District Legal Counsel.

Billing

Shipsey & Seitz would prepare billing statements for each of the categories referenced above. The Board of Directors would continue to approve legal fees as part of the general warrant approval process prior to payment.

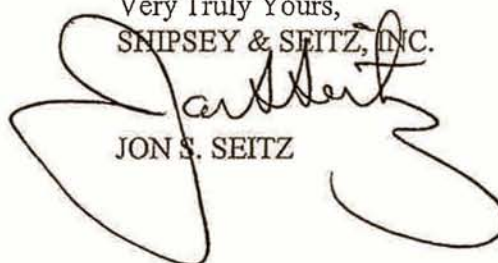
Outside Counsel

Lastly, upon my recommendation and the authorization of either the District Board of Directors and/or the General Manager, the District would, from time to time, retain Special Counsel to associate with District Legal Counsel on any matter customarily requiring or warranting the need for such Special Counsel by reason of his or her expertise on particular matters.

I will continue to represent the District as District Legal Counsel, and my partner, Michael W. Seitz, will continue to represent the District as Deputy District Legal Counsel.

If you should have any questions regarding this proposal, I would be happy to discuss them with you.

Very Truly Yours,
SHIPSEY & SEITZ, INC.



JON S. SEITZ

JSS:jb
Cc: Michael W. Seitz