

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ml*
INTERIM GENERAL MANAGER
DATE: FEBRUARY 4, 2011



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 January 26, 2011 Regular Meeting
- D-3) ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND ACCEPT]

TO: BOARD OF DIRECTORS
 FROM: MICHAEL LEBRUN *ML*
 INTERIM GENERAL MANAGER
 DATE: FEBRUARY 3, 2011

**AGENDA ITEM
 D-1
 FEBRUARY 9, 2011**

**TOTAL COMPUTER
 CHECKS
 \$193,268.57**

HAND WRITTEN CHECKS

01-24-11	20202	ED EBY	WIP COMMITTEE	\$100.00
01-24-11	20203	JAMES HARRISON	WIP COMMITTEE	\$100.00
01-26-11	20204	CALIF WATER ENVIRON ASSOC	GRADE 2-GERMAN	\$76.00
01-26-11	20205	SLO CHAPTER OF CSDA	ANNUAL MEETING	\$75.00
01-26-11	20206	WILLIAM MYERS	WASHER REBATE	\$75.00
02-09-11	20207	BANK OF AMERICA	PROCESSING FEE-RECORDING	\$100.00
02-09-11	20208	WILLIAM KENGEL	DEPOSIT REFUND	\$926.70
VOID-19002 AND 19005				

COMPUTER GENERATED CHECKS

19036	02/04/11	EMP01	EMPLOYMENT DEVELOP DEPT	1366.05	.00	1366.05	B10131	STATE INCOME TAX
19037	02/04/11	MID01	RABOBANK-PAYROLL TAX DEPO	4051.21	.00	4051.21	B10131	FEDERAL INCOME TAX
				584.00	.00	584.00	1B10131	FICA
				1035.86	.00	1035.86	2B10131	MEDICARE (FICA)
			Check Total.....:	5671.07	.00	5671.07		
19038	02/04/11	MID02	RABOBANK-DIRECT DEPOSIT	28711.61	.00	28711.61	B10131	NET PAY
19039	02/04/11	PER01	PERS RETIREMENT	7525.19	.00	7525.19	B10131	PERS PAYROLL REMITTANCE
19040	02/04/11	STA01	ING-PERS 457 DEFERRED COM	825.00	.00	825.00	B10131	457 DEFERRED COMP
019041	02/09/11	ABA01	ABALONE COAST BACTERIOLOG	105.00	.00	105.00	11-0289	LAB TEST-SOUTHLAND WWTP
				20.00	.00	20.00	11-0404	LAB TEST-BL WWTP
				176.00	.00	176.00	11-0437	LAB TEST-SOUTHLAND WWTP
				124.00	.00	124.00	11-0438	LAB TEST-BL WWTP
				105.00	.00	105.00	11-0439	LAB TEST-SOUTHLAND WWTP
				147.00	.00	147.00	11-0440	LAB TEST-SOUTHLAND WWTP
				20.00	.00	20.00	11-0441	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0463	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0480	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0510	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0536	LAB TEST-BL WWTP
				175.00	.00	175.00	11-0537	LAB TEST-WATER SAMPLES
				124.00	.00	124.00	11-0565	LAB TEST-BL WWTP
				176.00	.00	176.00	11-0568	LAB TEST-SOUTHLAND WWTP
				20.00	.00	20.00	11-0570	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0600	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0620	LAB TEST-BL WWTP
				20.00	.00	20.00	11-0656	LAB TEST-BL WWTP
			Check Total.....:	1332.00	.00	1332.00		
019042	02/09/11	ADV01	ADVANTAGE ANSWERING PLUS	227.19	.00	227.19	1252011	ANSWERING SERVICE
019043	02/09/11	AEC01	AECOM USA INC	11013.30	.00	11013.30	37081429	FRONTAGE RD SEWER
				26940.60	.00	26940.60	37081658	SOUTHLAND WWTF UPGRADE
				18441.00	.00	18441.00	37084330	WATERLINE INTERTIE PROJEC
			Check Total.....:	56394.90	.00	56394.90		
019044	02/09/11	ALX01	ALEXANDER'S CONTRACT SERV	2282.68	.00	2282.68	FEB 2011	METER READING-FEBRUARY
019045	02/09/11	AME03	AMERI PRIDE	176.63	.00	176.63	268500	UNIFORMS
				115.29	.00	115.29	273892	UNIFORMS
				132.65	.00	132.65	279365	UNIFORMS
				120.11	.00	120.11	285139	UNIFORMS
			Check Total.....:	544.68	.00	544.68		
019046	02/09/11	ATT02	AT&T	153.92	.00	153.92	2030467	TELEPHONE
				23.98	.00	23.98	2030718	TELEPHONE
				118.62	.00	118.62	2030788	TELEPHONE
			Check Total.....:	296.52	.00	296.52		
019047	02/09/11	BEN02	BENTLEY SYSTEMS, INC.	1749.30	.00	1749.30	47366012	WATER/SEWER GEMS SUBSCRIP
019048	02/09/11	BRE02	BRENNTAG PACIFIC INC.	635.55	.00	635.55	BPI066855	SODIUM HYPOCHLORITE
				635.55	.00	635.55	BPI067201	SODIUM HYPOCHLORITE
			Check Total.....:	1271.10	.00	1271.10		

TO: BOARD OF DIRECTORS
 FROM: MICHAEL LEBRUN
 INTERIM GENERAL MANAGER

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019049	02/09/11	CAL16	CALPERS	600.00	.00	600.00	AVL-734	ACTUARIAL VALUATION
019050	02/09/11	CIT01	CITY NATIONAL BANK	15706.50	.00	15706.50	B10131	DEBT SERVICE-A/D 93-1
019051	02/09/11	CLE06	CNS SLO INC	343.75	.00	343.75	12106	COMPUTER/MONITOR SET UP
019052	02/09/11	CSD02	CALIFORNIA SPECIALTY DIST	64.01	.00	64.01	163574	PUMP REPAIR
019053	02/09/11	DEP03	DEPT OF HEALTH SERVICES	50.00	.00	50.00	A.HUGHES	HUGHES-T1 CERTIFICATION
019054	02/09/11	EBY01	EBY, ED	100.00	.00	100.00	020911	BOARD MEETING 02-09-11
019055	02/09/11	FGL01	FGL ENVIRONMENTAL	118.00	.00	118.00	180044A	LAB TEST-SOUTHLAND WWTP
				379.00	.00	379.00	180045A	LAB TEST-SOUTHLAND WWTP
				63.00	.00	63.00	180046A	LAB TEST-BL WWTP
				63.00	.00	63.00	180047A	LAB TEST-BL WWTP
				409.00	.00	409.00	180093A	LAB TEST-WELLS
				24.00	.00	24.00	180094A	LAB TEST-WELL
			Check Total.....	1056.00	.00	1056.00		
019056	02/09/11	GAD01	GADDIS, DAN A.	100.00	.00	100.00	020911	BOARD MEETING
019057	02/09/11	GIL01	GLM, INC.	320.00	.00	320.00	JAN 2011	LANDSCAPE SERVICE-JAN
019058	02/09/11	GRO01	GROENIGER & CO	130.70	.00	130.70	11016934	OPERATING SUPPLIES
019059	02/09/11	GWA01	GWA INC	50.00	.00	50.00	B10131	UPDATE CODES
				950.00	.00	950.00	2497201	ALARM SYSTEM INSTALL
				2000.00	.00	2000.00	2498201	FIRE SYSTEM INSTALL
				85.00	.00	85.00	FEB 2011A	SHOP/LAB MONITORING
				53.00	.00	53.00	FEB 2011B	OFFICE MONITORING
				85.00	.00	85.00	FEB 2011C	UTILITY OFFICE MONITORING
			Check Total.....	3223.00	.00	3223.00		
019060	02/09/11	HAC01	HACH COMPANY	89.29	.00	89.29	7087207	LAB SUPPLIES
				373.46	.00	373.46	7089338	LAB SUPPLIES
			Check Total.....	462.75	.00	462.75		
019061	02/09/11	HAR02	HARRISON, JAMES	100.00	.00	100.00	020911	BOARD MEETING 02-09-11
019062	02/09/11	HAY01	HAYES ADVANCED DESIGN	1414.00	.00	1414.00	502025	ASPHALT REPAIRS
019063	02/09/11	JAC01	JACK'S REPAIR & SALES	5.27	.00	5.27	25025	SUPPLIES
019064	02/09/11	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	51274	LANDSCAPE MAINT DISTRICT
019065	02/09/11	LEE02	LEE CENTRAL COAST NEWSPAP	171.50	.00	171.50	163953	ADVERTISING-NEGATIVE DECL
019066	02/09/11	MCE01	MCEWEN, MALCOLM	6281.11	.00	6281.11	001	STANDARDS AND SPECS UPDAT
019067	02/09/11	MIN02	MINER'S ACE HARDWARE	269.82	.00	269.82	JAN 2011	OPERATING SUPPLIES
019068	02/09/11	MOR02	MORE OFFICE SOLUTIONS	508.78	.00	508.78	7815	COPIER MAINTENANCE
				116.90	.00	116.90	26485	COPIER MAINTENANCE
			Check Total.....	625.68	.00	625.68		
019069	02/09/11	MUL01	MULLAHEY FORD	43.61	.00	43.61	140824	PARTS
019070	02/09/11	NOB02	NOBLE SAW INC	2835.06	.00	2835.06	103165	GENERATOR/TRASH PUMP
019071	02/09/11	NUT01	NU TECH PEST MGMT	265.00	.00	265.00	82804	PEST CONTROL
				49.00	.00	49.00	82805	RODENT CONTROL
			Check Total.....	314.00	.00	314.00		
019072	02/09/11	OFF01	OFFICE DEPOT	243.15	.00	243.15	50836001	OFFICE SUPPLIES
019073	02/09/11	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	208	JANITORIAL-JANUARY
019074	02/09/11	PRO02	PRO CARE JANITORIAL SUPPL	64.93	.00	64.93	42719	SUPPLIES
019075	02/09/11	QUI04	QUINN POWER SYSTEMS	664.80	.00	664.80	4788	ANNUAL MAINTENANCE
				664.80	.00	664.80	4789	ANNUAL MAINTENANCE
				621.93	.00	621.93	4790	ANNUAL MAINTENANCE
				621.93	.00	621.93	4791	ANNUAL MAINTENANCE
				621.93	.00	621.93	4792	ANNUAL MAINTENANCE
				671.93	.00	671.93	4793	ANNUAL MAINTENANCE
				621.93	.00	621.93	4794	ANNUAL MAINTENANCE
				621.93	.00	621.93	4795	ANNUAL MAINTENANCE
				968.37	.00	968.37	W01065-01	STANDBY GENERATOR
			Check Total.....	6079.55	.00	6079.55		

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 INTERIM GENERAL MANAGER

DATE: FEBRUARY 3, 2011

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019076	02/09/11	RIC01	RICHARDS, WATSON, GERSHON	1175.50	.00	1175.50	175599	WATER RIGHTS ADJUDICATION
019077	02/09/11	RSI02	R. SIMONS CO. INC.	578.00	.00	578.00	201017-1A	RELOCATION OF WATER INFRA
019078	02/09/11	SAN01	SANTA MARIA TIRE INC	45.95	.00	45.95	459937	OIL CHANGE
				50.44	.00	50.44	460153	OIL CHANGE ON-CALL TRUCK
			Check Total.....:	96.39	.00	96.39		
019079	02/09/11	SHI01	SHIPSEY & SEITZ, INC	8801.67	.00	8801.67	DEC 2010	LEGAL SERVICES DECEMBER 2
019080	02/09/11	SOU01	SOUTH COUNTY SANITARY	34.92	.00	34.92	3198422	TRASH SERVICE
				169.12	.00	169.12	3199813	OLDE TOWN TRASH SERVICE
			Check Total.....:	204.04	.00	204.04		
019081	02/09/11	STA03	STATEWIDE SAFETY & SIGNS	83.14	.00	83.14	582	MARKING PAINT
019082	02/09/11	TAF01	TAFT ELECTRIC	2470.00	.00	2470.00	30751A	ELECTRICAL
				855.00	.00	855.00	30617AA	SUNDALE WELL REPAIR
			Check Total.....:	3325.00	.00	3325.00		
019083	02/09/11	THE01	THE GAS COMPANY	120.48	.00	120.48	JAN 2011	OFFICE HEAT
				16.42	.00	16.42	JAN 2011A	SHOP OFFICE HEAT
			Check Total.....:	136.90	.00	136.90		
019084	02/09/11	TIT01	TITAN INDUSTRIAL & SAFETY	123.06	.00	123.06	1044162	OPERATING SUPPLIES
019085	02/09/11	USB01	US BANK TRUST	915.23	.00	915.23	012411A	COMPUTER EXPENSE
				196.45	.00	196.45	012411B	OFFICE SUPPLIES
				74.66	.00	74.66	012411C	OPERATING SUPPLIES
				22.00	.00	22.00	012411D	TRAVEL
				73.26	.00	73.26	012411E	CONSERVATION ADVERTISING
				192.90	.00	192.90	012411F	AUTOCAD SUBSCRIPTION RENE
				20.00	.00	20.00	012411G	FILING FEE
				157.53	.00	157.53	012411H	MEETING SUPPLIES
			Check Total.....:	1652.03	.00	1652.03		
019086	02/09/11	VER01	VERIZON	38.18	.00	38.18	B10131	TELEPHONE
019087	02/09/11	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	020911	BOARD MEETING 02-09-11
019088	02/09/11	WAL01	WALLACE GROUP	352.36	.00	352.36	31147	FOG OUTREACH/INSPECTION
019089	02/09/11	WES05	WESTAMERICA BANK	23607.16	.00	23607.16	B10131	LEASE PMT-VACCON TRUCK
019090	02/09/11	WIN01	WINN, MICHAEL	100.00	.00	100.00	020911	BOARD MEETING 02-09-11
019091	02/09/11	WIN02	WINN, MICHAEL	249.35	.00	249.35	01212011	MILEAGE REIMBURSEMENT
019092	02/09/11	WOO01	DOUGLAS WOOD & ASSOCIATES	2530.41	.00	2530.41	2011-15	SOUTHLAND WWTF UPGRADE
019093	02/09/11	\T003	LEO TIDWELL EXCAVATIONG,	449.70	.00	449.70	000B10201	MQ CUSTOMER REFUND FOR TI

NIPOMO COMMUNITY SERVICES DISTRICT

SERVING THE COMMUNITY SINCE 1965

D2

DRAFT MINUTES

JANUARY 26, 2011 AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
MICHAEL WINN, DIRECTOR
ED EBY, DIRECTOR
DAN A. GADDIS, DIRECTOR

PRINCIPAL STAFF

MICHAEL LEBRUN, INTERIM GENERAL MANAGER
LISA BOGNUDA, ASSIST. GENERAL MANAGER
MERRIE WALLRAVIN, SECRETARY/CLERK
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 Regular Meeting of January 26, 2011, to order at 9:00 a.m. and led the flag salute.

00:00:49

B. ROLL CALL

At Roll Call, all Board members were present.

00:01:38

C. PRESENTATIONS AND PUBLIC COMMENT

C-1) PRESENT RESOLUTION RECOGNIZING FORMER DIRECTOR BILL NELSON'S SERVICE TO NCSD

President Harrison presented former Director Bill Nelson with a Resolution recognizing him for his service with NCSD.

C-2) MIKE NUNLEY OF AECOM

Update re: Waterline Intertie Project

Mike Nunley, AECOM Project Manager, reviewed the report as presented in the Board packet. Michael LeBrun, Interim General Manager, and Mr. Nunley answered questions from the Board. The Board thanked Mr. Nunley for the report.

C-3) ALTERNATIVE ENERGY OPPORTUNITIES PRESENTATION

Charles Gulyash

Charles Gulyash, Solar Pacific Owner, gave a presentation on alternative energy opportunities. Mr. Gulyash answered questions from the Board. The Board thanked Mr. Gulyash for the presentation.

C-4) NCSD SUPERINTENDENT TINA GRIETENS

Update re: 2010 Summary of Utility Division Activities

Tina Grietens, NCSD Utility Superintendent, reviewed the report as presented in the Board packet and answered questions from the Board. The Board thanked Ms. Grietens for the report.

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

- ◇ February 17, 2011 – San Luis Obispo County will host a Climate Action Plan Event at the County Government Center from 6:30-8:30 p.m.

Director Eby

- ◇ January 27, 2011 – At 11:00 a.m. The San Luis Obispo Planning Commission will have a presentation on the proposed Solar Power Plant at Carrizo.
- ◇ My LAFCO term ended in December 2010. LAFCO elections for the Special District seat will be coming up on February 28, 2011.
- ◇ The Climate Prediction center NOAA's National Weather Service predicts less than normal rainfall for both February and March.

Director Winn

- ◇ On Wednesday, January 19, 2011, SLO County Management Oversight Committee had a meeting on the particulate matter that's coming off the Oceano Dunes, discussing the initial project to reduce PM10.
- ◇ I attended the Annual Land Use and Water Law Seminar at UCLA. The new water laws, legislation on the water laws, and new CEQA laws were discussed. A copy of the materials are in the District office.
- ◇ On Monday, January 24, 2011, SCAC named Dan Woodson Chairperson. During the meeting it became clear that the public needs accurate information on the Waterline Intertie Project.
- ◇ February 2, 2011 – The WRAC will meet in San Luis Obispo. The WRAC re-elected me for the fifth year, but I will be seated as a representative for the Nipomo CSD, not the 4th District.

Director Harrison

- ◇ January 27, 2011 – Fire Safe Counsel Meeting at 10:00 a.m. will be discussing the new Fire Protection Laws.
- ◇ The Rotary Club and the Nipomo High School Drama Club will have a Taste of Italy Dinner Fundraiser. It will be at 5:00 p.m. on January 30, 2011, at St. Joseph's Catholic Church.
- ◇ February 2, 2011 – The Olde Towne Nipomo Association will meet. They will be discussing the status of the proposed Miller Park.

C-6) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Daniel Diaz, NCSD customer, had questions about NCSD's meters and staff.

Michael LeBrun, Interim General Manager, commented that any member of the District can ask questions to our staff and he explained the process of our contracted meter reading services.

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

01:10:22

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS
- D-2) APPROVE BOARD MEETING MINUTES
 Approve Minutes of January 12, 2011 Regular Meeting
- D-3) INVESTMENT POLICY-FOURTH QUARTER REPORT
- D-4) AMEND PERSONNEL POLICIES AND PROCEDURES MANUAL RELATED TO PART-TIME POSITIONS
- D-5) APPROVE ADDITIONAL WORK AUTHORIZATION FOR DOUG WOOD & ASSOCIATES, SOUTHLAND WASTEWATER TREATMENT FACILITY UPGRADE ENVIRONMENTAL CONSULTANT

Director Harrison pulled Items D-4 and D-5 for separate consideration.

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

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

The Board took a break from 10:30 to 10:40 a.m.

Item D-4

Michael LeBrun, Interim General Manager, and Lisa Bognuda, Finance Director, answered questions from the Board. There was no public comment.

Upon the motion of Director Vierheilg and seconded by Director Gaddis, the Board unanimously approved item D-4 as presented.
 Vote 5-0.

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

RESOLUTION NO. 2011-1207

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
 NIPOMO COMMUNITY SERVICES DISTRICT
 AMENDING THE DISTRICT PERSONNEL POLICY
 REGARDING PART-TIME POSITIONS

Item D-5

Michael LeBrun, Interim General Manager answered questions from the Board. There was no public comment.

Upon the motion of Director Eby and seconded by Director Vierheilg, the Board approved additional work authorization #2 (3) and directed staff to issue a task order budget augmentation in the amount of \$1,460 and revise the project not to exceed to \$104,530.
 Vote 3-2.

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

E. ADMINISTRATIVE ITEMS

The Board considered Item E-3 next.

01:46:24

E-3) RECEIVE BEST MANAGEMENT PRACTICES FOR WATER CONSERVATION CHECKLIST; AUTHORIZE CIRCULATION OF DRAFT 2010 URBAN WATER MANAGEMENT PLAN UPDATE

Peter Sevcik, District Engineer, reviewed the report presented in the Board packet. Jeffery Szytel, of Water Systems Consulting, and Mr. Sevcik answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board received the BMP reports and directed staff to circulate the Public Review Draft 2010 Urban Water Management Plan Update as required.

Vote 5-0.

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

The Board considered Item E-4 next.

01:55:05

E-4) CONSIDER TRANSFER OF OUTSIDE USERS AGREEMENT TRACT 2650

Peter Sevcik, District Engineer, reviewed the report as presented in the Board packet. Greg Nester, of Greg Nester Homes, Jon Seitz, District Legal Counsel, and Mr. Sevcik answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board adopted the Resolution approving the consent to the transfer of outside user agreement providing water and solid waste service to tract 2650.

Vote 4-1. (Director Eby abstained, pursuant to section 2.9 of the NCSD's by-laws; an abstained vote is counted as a no vote.)

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

RESOLUTION NO. 2011-1208

A RESOLUTION OF THE BOARD OF DIRECTORS
 OF THE NIPOMO COMMUNITY SERVICES DISTRICT
 APPROVING CONSENT TO THE TRANSFER OF THE OUTSIDE USER AGREEMENT
 FOR WATER AND SOLID WASTE SERVICE TO TRACT 2650

The Board considered Item E-1 next.

02:13:20

E-1) REVIEW WATERLINE INTERTIE PROJECT – CONSIDER THE FOLLOWING: (A) DELIVERY VOLUME FOR PROPOSED ASSESSMENT; AND (B) NEXT STEPS AND SCHEDULE

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, Peter Sevcik, District Engineer, and Mr. LeBrun answered questions from the Board.

The Board considered closed session next and will resume Item E-1 after Item E-6.

Nipomo Community Services District
REGULAR MEETING
DRAFT MINUTES

I. CLOSED SESSION ANNOUNCEMENTS

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

- 1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

03:14:39

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to Closed Session at 12:25 p.m.

03:15:22

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:15 p.m.

Jon Seitz, District Legal Counsel, announced that the Board discussed the one item listed above for closed session, but took no reportable action. There was no public comment.

03:16:13

- E-6) WORKSHOP PRESENTATION ADMINISTRATIVE DRAFT EIR SOUTHLAND WASTE WATER TREATMENT FACILITY UPGRADE PROJECT BY DOUG WOOD AND ASSOCIATES

Douglas Wood, Douglas Wood and Associates, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, Mike Nunley, AECOM Project Manager, and Mr. Wood answered questions from the Board. Mr. Wood took comments from the Board. There was no public comment.

The Board took a break from 2:52 to 3:00 p.m.

04:57:15

The Board considered continuing Item E-1.

- E-1) REVIEW WATERLINE INTERTIE PROJECT – CONSIDER THE FOLLOWING: (A) DELIVERY VOLUME FOR PROPOSED ASSESSMENT; AND (B) NEXT STEPS AND SCHEDULE

Michael LeBrun, Interim General Manager, continued to review the report as presented in the Board packet.

The following member of the public spoke:

Vince McCarthy, NCSD customer, gave his analysis and questioned the cost of water per acre foot.

Jon Seitz, District Legal Counsel, Peter Sevcik, District Engineer, and Mr. LeBrun answered questions from the Board.

Upon the motion of Director Eby and seconded by Director Winn, the Board directed staff to use 2,000 acre feet per year as the delivery basis for the Assessment proceedings. Vote 3-2.

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

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

06:09:39

E-2) APPROVE LICENSE AGREEMENT WITH SANTA BARBARA COUNTY FOR SANTA MARIA RIVER ACCESS FOR THE WATERLINE INTERTIE PROJECT

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, Peter Sevcik, District Engineer, and Mr. LeBrun answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board approved the agreement and directed staff to forward it to Santa Barbara County Board of Supervisors for approval.

Vote 4-1.

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

06:22:00

E-5) CONSIDER DESIGNATING A BOARD/DISTRICT REPRESENTATIVE TO ATTEND FEB. 12, 2011 NIPOMO INCORPORATION COMMITTEE FOR EDUCATION WORKSHOP

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, and Mr. LeBrun answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board directed staff to draft a letter thanking them for the invitation; however, at this time NCS D does not wish to send an official representative. Board members are encouraged to attend as private citizens.

Vote 5-0.

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

E-7) CONSIDER LETTER OF SUPPORT FOR CA RURAL WATER ASSOCIATION

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet and answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the motion of approving the draft letter of support as amended and directing staff to forward the letter to CRWA did not pass.

Vote 2-3.

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

06:43:51

F. GENERAL MANAGER'S REPORT

Michael LeBrun, Interim General Manager, reviewed the Manager's Report as presented in the Board packet. Peter Sevcik, District Engineer, and Mr. LeBrun answered questions from the Board. There was no public comment.

G. COMMITTEE REPORT

There were no Committee reports.

06:59:35

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENT REPORTS

Director Gaddis

- ◇ Requested a critical path be on the construction schedule that is more obvious.

Director Eby

- ◇ Requested a comparison on how our supplemental water rates from the City of Santa Maria will track Santa Maria's Tier I rates are for each year, as many years as we know.
- ◇ Questioned why we would be paying any capital costs, in our water rates, after 30 years.

Director Winn

- ◇ Supervisor Paul Teixeira's office might approach staff regarding the lighting funding in the Olde Towne and elsewhere.
- ◇ Working on the \$100,000 commitment for the restrooms at Miller Park.
- ◇ Requested the coordination of a Board tour the J. Lohr Winery to see their installation of solar electricity.

07:10:01

ADJOURN

President Harrison adjourned the meeting at 5:20 p.m.

TO: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER

FROM: LISA BOGNUDA
ASSISTANT GENERAL MANAGER

DATE: FEBRUARY 4, 2011



ACCEPT QUARTERLY FINANCIAL REPORT

ITEM

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND APPROVAL]

BACKGROUND

The District's fiscal year is now 50% complete. The consolidated operating revenues are at 53.59% of the budget, operating expenditures are at 40.28% of the budget and general and administrative expenditures are at 39.40% of the budget.

Attached are the following which provide an overview of the first six months of the fiscal year:

Page 1	Summary of Approved Budget Amendments
Page 2	Summary of Revenues, Expenses and Cash Balances by Fund
Page 3	Consolidated Balance Sheet
Page 4-5	Consolidated Income Statement
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

Detailed information by fund is available in the office.

RECOMMENDATION

It is recommended that your Honorable Board accept report and direct Staff to file the quarterly financial report for the second quarter of fiscal year 2010-2011.

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF APPROVED BUDGET AMENDMENTS
FISCAL YEAR ENDING JUNE 30, 2011

FIRST QUARTER ENDING SEPTEMBER 30, 2010

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
7/28/10	Sludge Dredging	Fund #710	\$100,000	\$55,640	\$155,640

SECOND QUARTER ENDING DECEMBER 31, 2010

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	None				

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
SIX MONTHS ENDING DECEMBER 31, 2010

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	TRANSFERS B/W FUNDS	YTD SUPRLUS/ (DEFICIT)
Administration	110	186,419	(186,419)	0	0	0
Water	125	1,804,429	(1,142,983)	(350,000)	0	311,446
Town Sewer	130	887,528	(383,814)	(191,750)	(139,699)	172,265
Blacklake Sewer	150	205,455	(125,316)	(10,000)	0	70,139
Blacklake Street Lighting	200	10,543	(11,138)	0	0	(595)
Street Landscape Maintenance	250	5,025	(2,742)	0	0	2,283
Solid Waste	300	35,758	(15,124)	0	0	20,634
Drainage Maintenance	400	7,427	0	0	0	7,427
Supplemental Water Capacity Fees	500	6,421	0	0	0	6,421
Property Taxes	600	255,403	0	0	0	255,403
Water Capacity Fees	700	9,243	0	0	0	9,243
Town Sewer Capacity Fees	710	9,961	0	0	(349,790)	(339,829)
Funded Replacement-Water	805	12,726	0	350,000	0	362,726
Funded Replacement-Town Sewer	810	9,222	0	191,750	0	200,972
Funded Replacement-BL Sewer	830	0	0	10,000	0	10,000
Town Sewer Sinking Fund	880	2,042	0	0	489,489	491,531
TOTAL		3,447,602	(1,867,536)	0	0	1,580,066

CASH BALANCE OF EACH FUND
AS OF DECEMBER 31, 2010

FUND	FUND #	CASH BALANCE 12/31/2010
Administration	110	(56,022)
Water	125	2,251,596
Town Sewer	130	578,396
Blacklake Sewer	150	228,396
Blacklake Street Lighting	200	36,065
Street Landscape Maintenance	250	18,888
Solid Waste	300	689,957
Drainage Maintenance	400	12,438
Supplemental Water (Incl COP)	500	2,220,832
Property Taxes	600	1,791,596
Water Capacity Fees	700	3,562,144
Town Sewer Capacity Fees	710	3,550,994
Funded Replacement-Water	805	3,637,278
Funded Replacement-Town Sewer	810	3,941,004
Funded Replacement-BL Sewer	830	(6,129)
Sinking Fund-Town Sewer	880	1,362,734
Funds held by Trustee		249,026
TOTAL		24,069,193

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF DECEMBER 31, 2010

ASSETS

Cash and Cash Equivalents	24,069,192.54
Accounts Receivable - Utility Billing	253,849.05
Unbilled Accounts Receivable	725,000.00
Property, Plant & Equipment	46,763,788.16
Accumulated Depreciation	(14,131,426.72)
Prepaid Expenses	42,542.26
Accrued Interest Receivable	26,800.74
Receivable - Other	1,673.10
Notes Receivable - BL Sewer - Current	18,250.50
Notes Receivable - BL Water Merger - Current	19,940.58
Reservation Fee	37,500.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(190,771.25)
Revenue COP's Bond Discount	178,100.60
Accumulated Amortization - Bond Discount	(42,298.56)
Notes Receivable - BL Sewer - Long Term	167,274.51
Notes Receivable - BL Water Merger - Long Term	183,569.84
Total Assets	58,379,819.35

LIABILITIES

Accounts Payable	266,949.42
Other Payables	4,133.45
Refunds Payable	(500.00)
Construction Meter Deposits	6,000.00
Compensated Absences Payable	61,788.00
Accrued Interest Payable	2,469.43
Deposits	51,915.25
P/R Tax and Workers Comp Payable	(4,752.68)
Retention Payable	7,999.50
Deposit - NMWCA	4,500.00
Deposit - Maintenance Guarantee	3,657.55
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Notes Payable - Property Tax Fund - Current	18,250.50
Notes Payable - BL Water Merger - Current	19,940.58
Notes Payable - Municipal Finance - Current	18,668.29
Revenue Bonds - Current Portion	10,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue COP's - Current Portion	90,000.00
Notes Payable - Municipal Finance - Long Term	165,676.86
Notes Payable - Property Tax Fund - Long Term	167,274.51
Notes Payable - BL Water Merger - Long Term	183,569.84
Revenue Bonds Payable - Long Term Portion	75,826.00
SRF Loan #110 Payable - Long Term Portion	278,946.80
SRF Loan #120 Payable - Long Term Portion	379,622.25
Revenue COP's - Long Term Portion	3,330,000.00
Total Liabilities	5,249,454.15

FUND EQUITY

Contributed Capital - Assets	11,507,296.78
Contributed Capital - Capacity Fees (CY)	40,431.00
Contributed Capital - Supplemental Water Fees (CY)	77,878.00
Contributed Capital - Capacity Fees (PY)	17,489,970.62
Contributed Capital - Supplemental Water Fees (PY)	3,010,172.75
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,222,721.00
Contributed Capital - Grants	2,581,967.66
Retained Earnings - Reserved (Debt Service)	15,600.00
Retained Earnings - Reserved (Emergencies)	50,000.00
Retained Earnings - Reserved (Sewer Grant)	345,000.00
Retained Earnings - Reserved (Funded Replacement)	8,634,540.32
Retained Earnings - Unreserved	6,504,619.85
CURRENT EARNINGS	1,580,067.22
Total Fund Equity	53,130,365.20
Total Liabilities and Fund Equity	58,379,819.35

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING DECEMBER 31, 2010

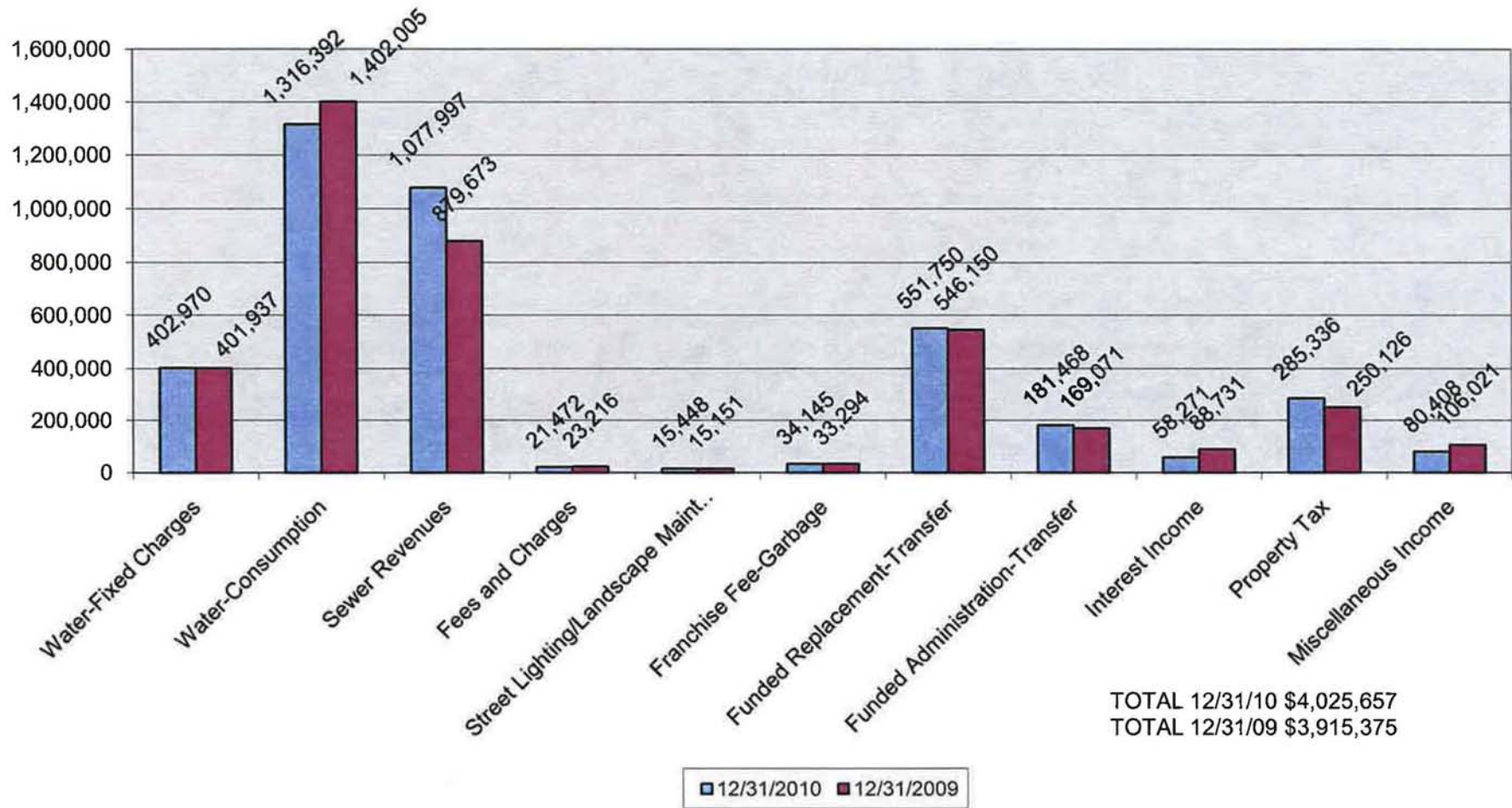
	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
<u>REVENUES</u>			
Water - Fixed Charge	402,970.07	803,000.00	50.18 %
Water - Usage	1,303,313.48	2,150,000.00	60.62 %
Construction Water	10,712.39	0	.00 %
Fire System Fee	2,366.00	0	.00 %
Sewer Charges	1,077,996.86	2,124,000.00	50.75 %
Fees and Penalties	21,471.80	43,150.00	49.76 %
Meters	1,360.00	0	.00 %
Plan Check & Inspection Fees	200.00	0	.00 %
Franchise Fees	34,145.57	89,250.00	38.26 %
Miscellaneous Income	54,082.30	33,400.00	161.92 %
Street Lighting Charges	10,462.00	18,836.00	55.54 %
Landscape Maintenance Dist Charges	4,985.74	8,450.00	59.00 %
Operating Transfers In - Funded Administration	181,468.26	450,880.00	40.25 %
Operating Transfers In - Funded Replacement	551,749.92	1,103,500.00	50.00 %
Total Revenues	3,657,284.39	6,824,466.00	53.59 %
<u>OPERATIONS AND MAINTENANCE</u>			
Wages and Benefits	321,123.09	879,265.00	36.52 %
Electricity	328,901.92	761,620.00	43.18 %
Chemicals	14,948.72	34,000.00	43.97 %
Lab Tests	27,765.00	81,900.00	33.90 %
Operating Supplies	46,463.92	150,000.00	30.98 %
Outside Services	17,811.12	43,020.00	41.40 %
Permits and Operating Fees	14,160.76	30,225.00	46.85 %
Repairs and Maintenance	155,596.88	429,000.00	36.27 %
Engineering	20,334.73	100,000.00	20.33 %
Fuel	12,227.02	45,000.00	27.17 %
Paging Service	5,495.95	10,500.00	52.34 %
Meters - New Installation	0	5,000.00	.00 %
Meters - Replacement Program	23,041.27	48,000.00	48.00 %
Safety Program	7,380.00	10,000.00	73.80 %
Uniforms	4,161.40	11,000.00	37.83 %
Landscape Maintenance & Water	2,680.33	8,080.00	33.17 %
Clean Up	0	1,500.00	.00 %
Conservation Program	7,454.57	125,000.00	5.96 %
Street Sweeping/Trash Collection	1,014.72	2,100.00	48.32 %
Operating Transfers Out - Funded Replacement	551,749.92	1,103,500.00	50.00 %
Subtotal - O & M	1,562,311.32	3,878,710.00	40.28 %
<u>GENERAL AND ADMINISTRATIVE</u>			
Wages and Benefits	337,224.54	743,272.00	45.37 %
Utilities	8,532.58	15,500.00	55.05 %
Audit	8,000.00	8,000.00	100.00 %
Bank Charges and Fees	1,968.00	4,050.00	48.59 %
Computer Expense	21,407.90	62,000.00	34.53 %

NIPOMO COMMUNITY SERVICES DISTRICT
 INCOME STATEMENT - CONSOLIDATED
 FOR THE PERIOD ENDING DECEMBER 31, 2010

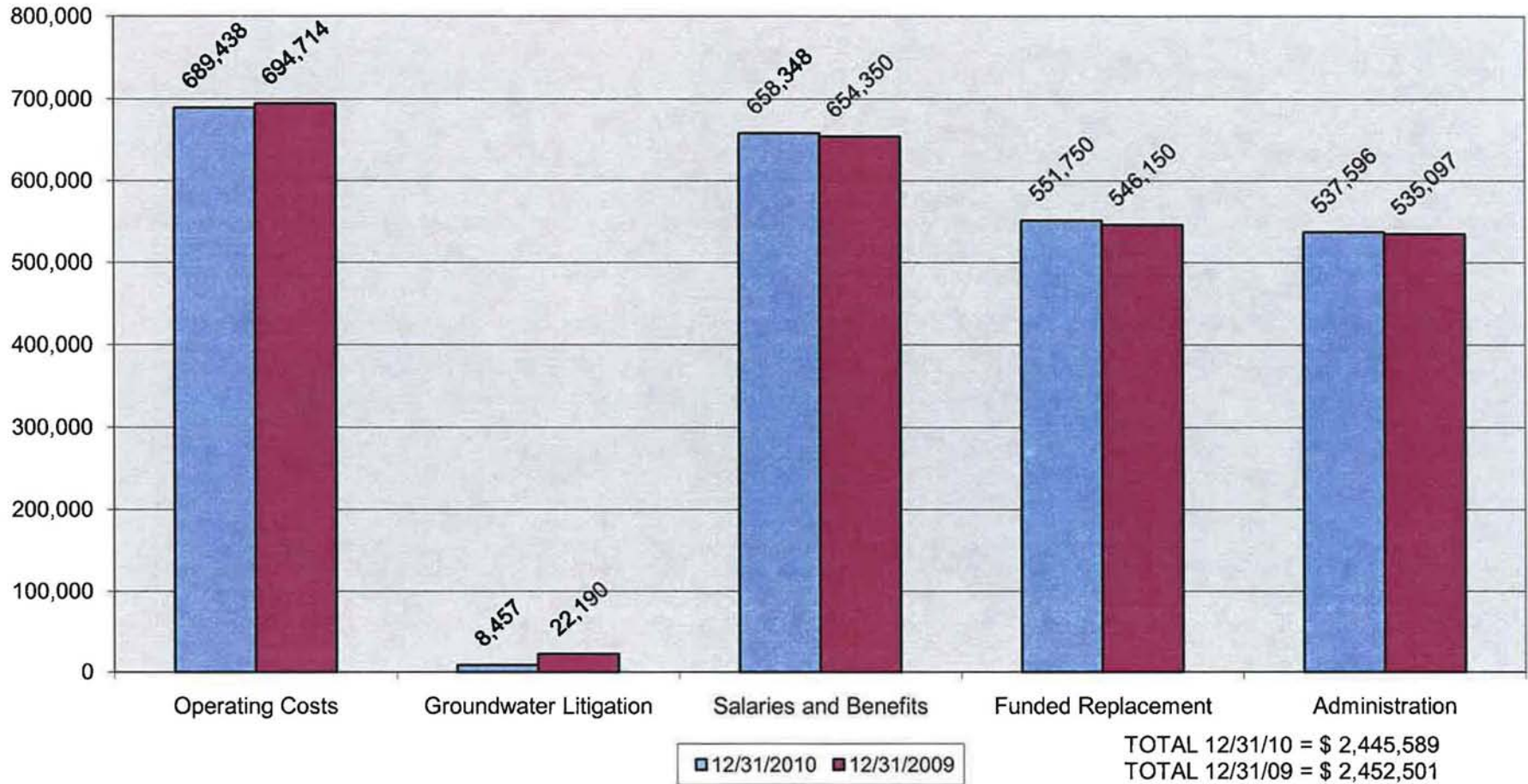
	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
Director Fees	10,500.00	25,220.00	41.63 %
Dues and Subscriptions	13,439.34	16,000.00	84.00 %
Education and Training	1,948.90	25,500.00	7.64 %
Elections	354.63	5,500.00	6.45 %
Insurance - Liability	39,652.37	75,000.00	52.87 %
LAFCO Funding	20,029.42	25,000.00	80.12 %
Landscape and Janitorial	5,987.46	14,000.00	42.77 %
Legal - General Counsel	41,720.40	165,000.00	25.29 %
Legal - Water Counsel	8,456.81	75,000.00	11.28 %
Professional Services	67,514.29	177,000.00	38.14 %
Miscellaneous	3,333.26	7,500.00	44.44 %
Newsletters & Mailers	162.38	13,000.00	1.25 %
Office Supplies	5,386.52	20,000.00	26.93 %
Outside Service	4,626.23	13,505.00	34.26 %
Postage	7,258.24	29,920.00	24.26 %
Public Notices	1,695.00	15,700.00	10.80 %
Repairs and Maintenance	6,160.22	22,000.00	28.00 %
Property Taxes	1,024.96	1,087.00	94.29 %
Telephone	4,337.53	10,180.00	42.61 %
Travel and Mileage	959.34	18,500.00	5.19 %
Operating Transfer Out - Funded Administration	181,468.26	450,881.00	40.25 %
Subtotal - G & A	803,148.58	2,038,315.00	39.40 %
NON OPERATING INCOME			
Interest Income	58,270.85	186,780.00	31.20 %
Property Tax Revenues	285,335.64	508,140.00	56.15 %
BL Sewer Surcharge	12,224.46	24,480.00	49.94 %
BL Water Surcharge	12,541.12	25,779.00	48.65 %
Subtotal - Non Operating Income	368,372.07	745,179.00	49.43 %
NON OPERATING EXPENSES			
Interest Expense	28,629.34	184,016.00	15.56 %
Other Post Employment Benefits (OPEB)	51,500.00	103,000.00	50.00 %
Subtotal - Non Operating Expenses	80,129.34	287,016.00	27.92 %
Net Surplus/(Deficit)	1,580,067.22	1,365,604.00	115.70 %

UNAUDITED

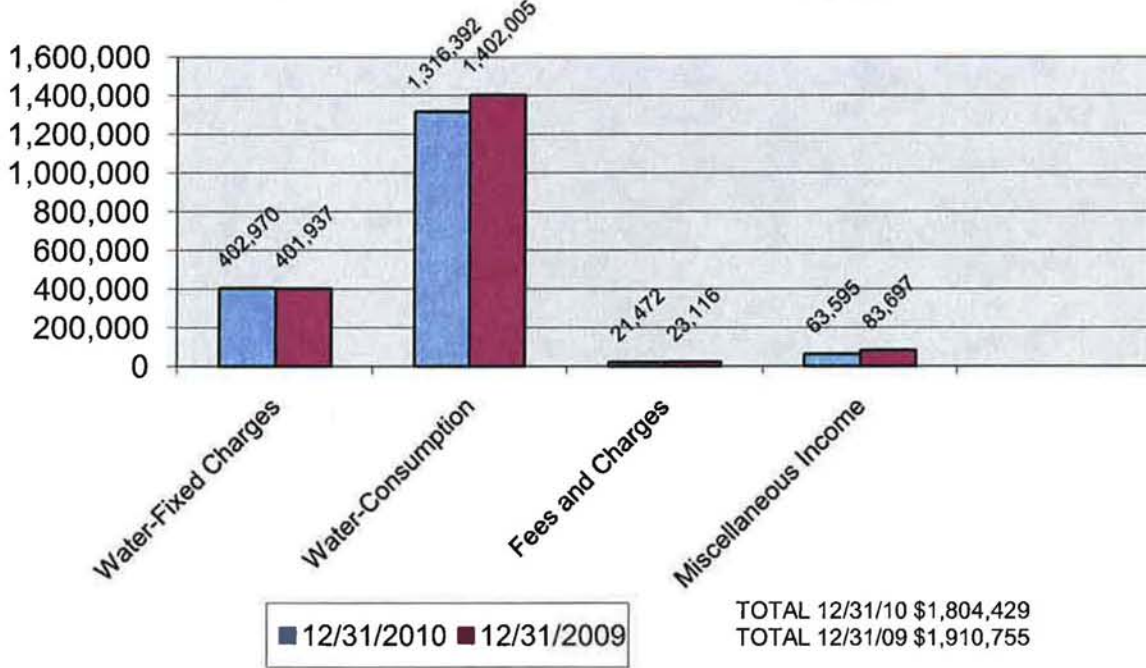
**NIPOMO COMMUNITY SERVICES DISTRICT
 COMBINED REVENUES FOR ALL FUNDS
 SIX MONTHS ENDED
 DECEMBER 31, 2010 AND DECEMBER 31, 2009**



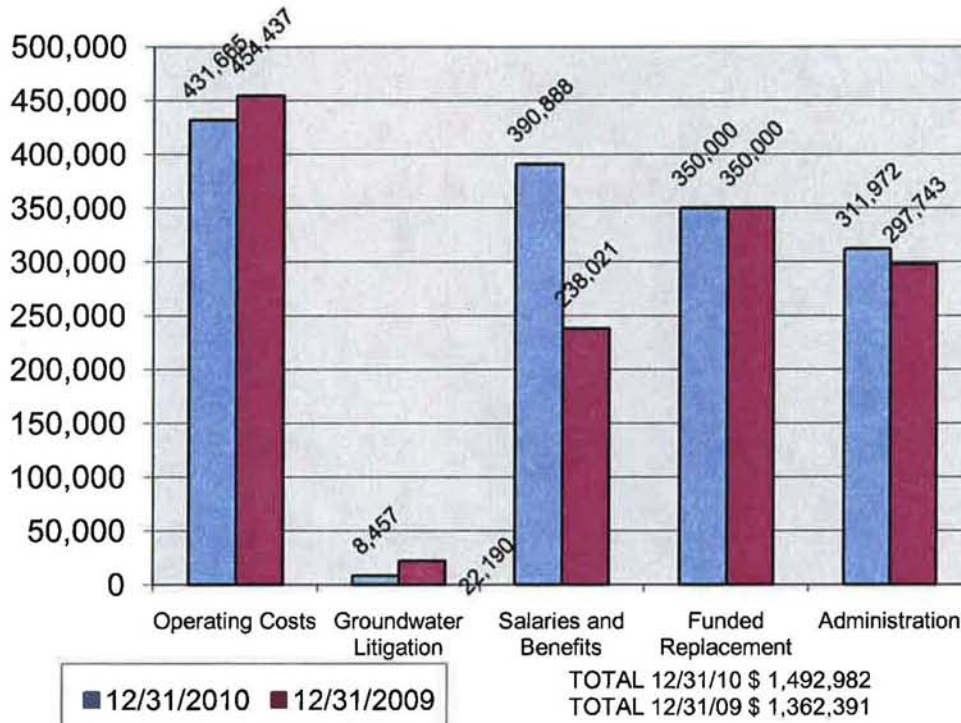
**NIPOMO COMMUNITY SERVICES DISTRICT
 COMBINED EXPENDITURES FOR ALL FUNDS
 SIX MONTHS ENDED
 DECEMBER 31, 2010 AND DECEMBER 31, 2009**



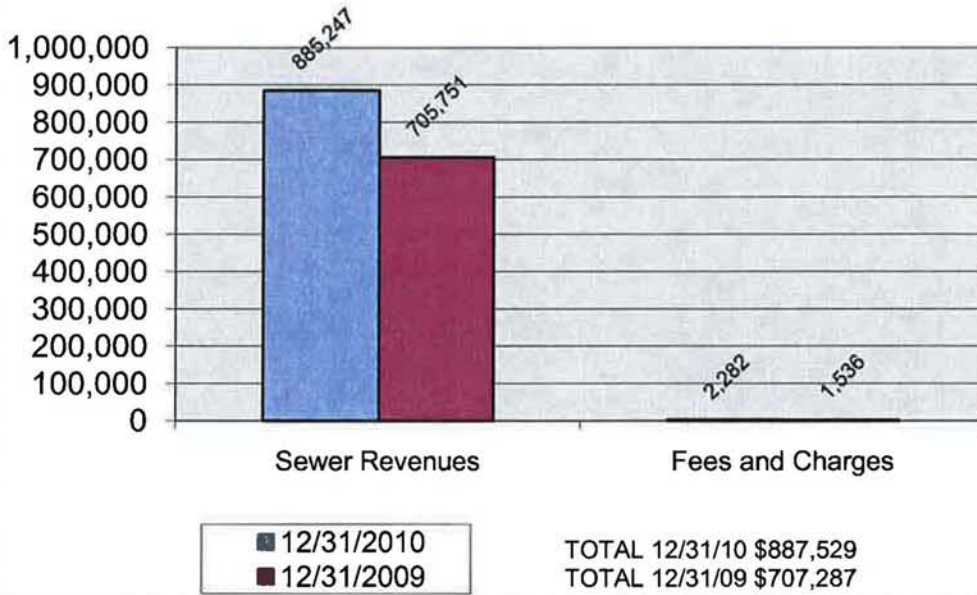
**NIPOMO COMMUNITY SERVICES DISTRICT
WATER FUND #125
REVENUES-DECEMBER 31 2010 AND DECEMBER 31, 2009**



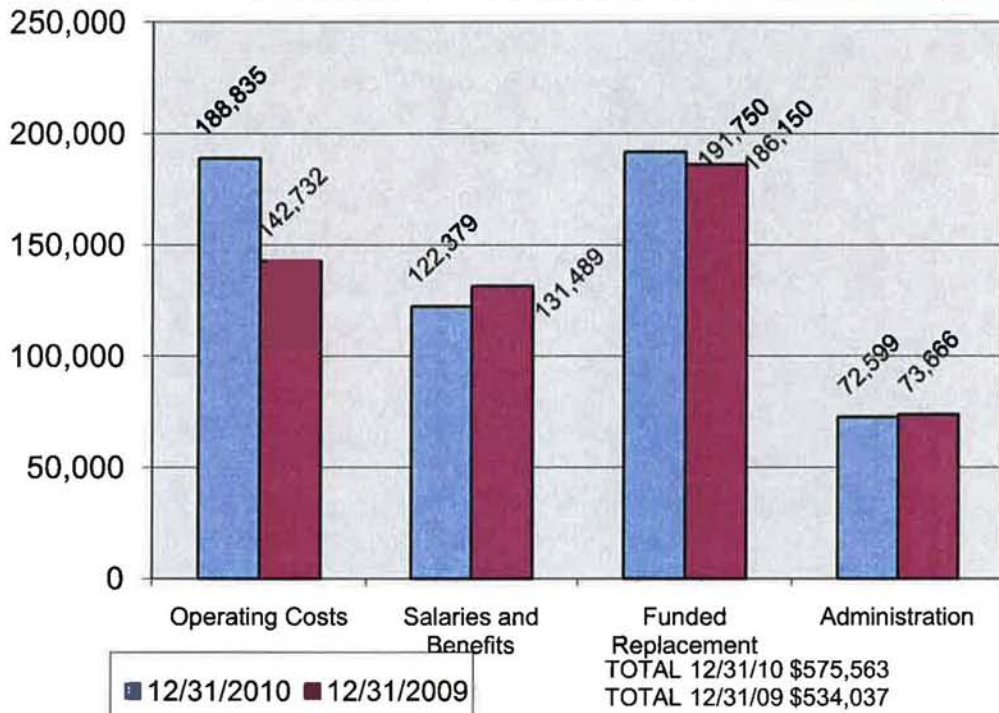
**NIPOMO COMMUNITY SERVICES DISTRICT
WATER FUND #125
EXPENDITURES-DECEMBER 31, 2010 AND DECEMBER 31, 2009**



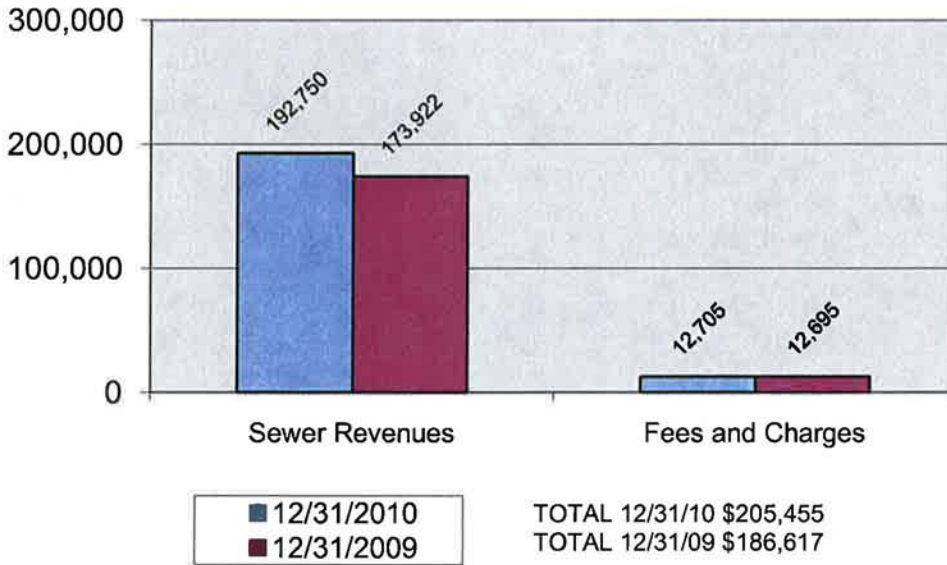
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
REVENUES-DECEMBER 31, 2010 AND DECEMBER 31, 2009**



**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
EXPENDITURES-DECEMBER 31, 2010 AND DECEMBER 31, 2009**



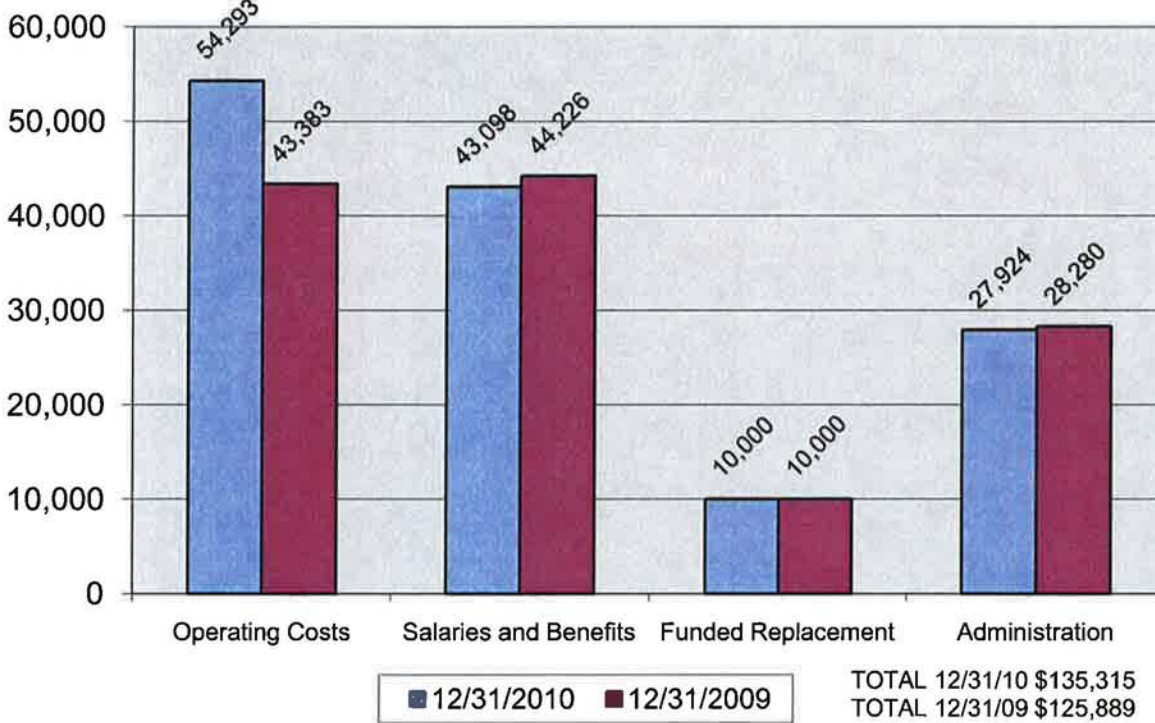
**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
REVENUES-DECEMBER 31, 2010 AND DECEMBER 31, 2009**



■ 12/31/2010
■ 12/31/2009

TOTAL 12/31/10 \$205,455
TOTAL 12/31/09 \$186,617

**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
EXPENDITURES-DECEMBER 31, 2010 AND DECEMBER 31, 2009**



■ 12/31/2010 ■ 12/31/2009

TOTAL 12/31/10 \$135,315
TOTAL 12/31/09 \$125,889