


TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER 
DATE: OCTOBER 5, 2018



PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.
Receive Announcements and Reports from Directors

- C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: OCTOBER 5, 2018

AGENDA ITEM

D

OCTOBER 10, 2018

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 removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

**Questions or clarification may be made by the Board members
without removal from the Consent Agenda.**

- D-1) WARRANTS
[RECOMMEND APPROVAL]
- D-2) APPROVE SEPTEMBER 12, 2018 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]
- D-3) EUREKA WELL DRILLING PROJECT - DISCUSSION ON PROJECT
DEVELOPMENT [RECOMMEND RECEIVE REPORT AND PROVIDE
DIRECTION TO STAFF AS NEEDED]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER *MI*

FROM: LISA BOGNUDA *LSB*
FINANCE DIRECTOR

DATE: OCTOBER 5, 2018

AGENDA ITEM
D-1
OCTOBER 10, 2018

WARRANTS

HANDWRITTEN CHECKS
None

TOTAL COMPUTER CHECKS
\$243,852.26

VOIDS – NONE

COMPUTER GENERATED CHECKS – SEE ATTACHED



Nipomo Community Services District

Item D-1 Warrants OCTOBER 10, 2018
By Payment Number

Payment Dates 09/21/2018 - 09/21/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount	
Payment: 4116						
Advantage Answering Plus, In	Answering service	12-076-861	09/21/2018		195.46	
					Payment 4116 Total:	<u>195.46</u>
Payment: 4117						
Allweather Landscape Mainte	LMD	32952	09/21/2018		325.00	
					Payment 4117 Total:	<u>325.00</u>
Payment: 4118						
American Industrial Supply	Gas can, wedge anchor, file	0323146	09/21/2018		232.90	
					Payment 4118 Total:	<u>232.90</u>
Payment: 4119						
American Society of Civil Engi	Membership renewal	SEVCIK2018	09/21/2018		300.00	
					Payment 4119 Total:	<u>300.00</u>
Payment: 4120						
AmeriPride	Uniforms	1502233083	09/21/2018		233.39	
AmeriPride	Uniforms	1502228343	09/21/2018		231.42	
					Payment 4120 Total:	<u>464.81</u>
Payment: 4121						
AT&T	Telephone	000011882617	09/21/2018		172.84	
					Payment 4121 Total:	<u>172.84</u>
Payment: 4122						
Ayala, Sandro	Travel reimbursement - D1 tes	SEPT2018	09/21/2018		105.73	
					Payment 4122 Total:	<u>105.73</u>
Payment: 4123						
Bee Safe Lock & Key	Keys, replacement locks, servi	1474	09/21/2018		186.11	
					Payment 4123 Total:	<u>186.11</u>
Payment: 4124						
Brenntag Pacific, Inc.	Sodium hypochlorite	872493	09/21/2018		144.34	
Brenntag Pacific, Inc.	Sodium hypochlorite	872492	09/21/2018		762.88	
					Payment 4124 Total:	<u>907.22</u>
Payment: 4125						
Burdine Printing	Mail bills	37259A	09/21/2018		136.56	
Burdine Printing	Mail bills	37291A	09/21/2018		249.27	
Burdine Printing	Postage for bills	37259B	09/21/2018		105.28	
Burdine Printing	Postage for bills	37291B	09/21/2018		1,271.41	
					Payment 4125 Total:	<u>1,762.52</u>
Payment: 4126						
California Highway Patrol	Collision report request - hydr	SEPT2018	09/21/2018		10.00	
					Payment 4126 Total:	<u>10.00</u>
Payment: 4127						
Clever Ducks	Computer expense	25813	09/21/2018		2,535.00	
					Payment 4127 Total:	<u>2,535.00</u>
Payment: 4128						
Corix Water Products (US) Inc.	Couplings, ballcorps	17813027326	09/21/2018		514.06	
Corix Water Products (US) Inc.	Quikrete, ball valve curb stop	17813027988	09/21/2018		436.41	
					Payment 4128 Total:	<u>950.47</u>
Payment: 4129						
Crystal Springs	Distilled water	AUG2018	09/21/2018		54.28	
					Payment 4129 Total:	<u>54.28</u>

Item D-1 Warrants OCTOBER 10, 2018

Payment Dates: 09/21/2018 - 09/21/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount	
Payment: 4130						
Engel & Gray, Inc.	Biosolids collection	88X00013	09/21/2018		3,270.71	
					Payment 4130 Total:	3,270.71
Payment: 4131						
Excel Personnel Services, Inc.	Employment agency	2608404	09/21/2018		434.00	
Excel Personnel Services, Inc.	Employment agency	2614328	09/21/2018		347.20	
Excel Personnel Services, Inc.	Employment agency	2603082	09/21/2018		434.00	
					Payment 4131 Total:	1,215.20
Payment: 4132						
FGL Environmental	Lab tests	882256	09/21/2018		276.00	
FGL Environmental	Lab tests	882591	09/21/2018		1,541.00	
					Payment 4132 Total:	1,817.00
Payment: 4133						
Frontier Communications	BL phone	OCT2018	09/21/2018		53.37	
					Payment 4133 Total:	53.37
Payment: 4134						
Iglesias, Mario	Cell phone reimbursement	SEPT2018	09/21/2018		65.00	
					Payment 4134 Total:	65.00
Payment: 4135						
Industrial Medical Group of S	Pre-employment physical	74893	09/21/2018		230.00	
					Payment 4135 Total:	230.00
Payment: 4136						
Integrated Industrial Supply, I	Diaphragm valves	56000	09/21/2018		398.86	
					Payment 4136 Total:	398.86
Payment: 4137						
Iron Mountain	On-site shredding	AFEN101	09/21/2018		33.80	
					Payment 4137 Total:	33.80
Payment: 4138						
Jan-Pro Central Coast	Janitorial services	79387	09/21/2018		727.14	
					Payment 4138 Total:	727.14
Payment: 4139						
More Office Solutions	B&W/Color copies	2208459	09/21/2018		121.38	
More Office Solutions	B&W/Color copies	2211102	09/21/2018		34.22	
					Payment 4139 Total:	155.60
Payment: 4140						
NexTraq	GPS subscription	AT01391801	09/21/2018		479.40	
					Payment 4140 Total:	479.40
Payment: 4141						
Nipomo Community Services	Juniper LS	SEPT2018C	09/21/2018		41.82	
Nipomo Community Services	LMD	SEPT2018B	09/21/2018		365.56	
Nipomo Community Services	SWWTP	SEPT2018A	09/21/2018		72.37	
					Payment 4141 Total:	479.75
Payment: 4142						
Nu-Tech Pest Management	Rodent control	0138081	09/21/2018		75.00	
Nu-Tech Pest Management	Pest control	0138080	09/21/2018		265.00	
					Payment 4142 Total:	340.00
Payment: 4143						
Office Depot	Office supplies	201753477001	09/21/2018		9.63	
Office Depot	Office supplies	201718608001	09/21/2018		142.29	
					Payment 4143 Total:	151.92
Payment: 4144						
PG&E	Electricity	SEPT2018	09/21/2018		59,493.18	
					Payment 4144 Total:	59,493.18

Item D-1 Warrants OCTOBER 10, 2018

Payment Dates: 09/21/2018 - 09/21/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount	
Payment: 4145						
Praxair Distribution, Inc.	Carbon dioxide	84974507	09/21/2018		28.89	
					Payment 4145 Total:	28.89
Payment: 4146						
PresTech Equipment Compan	Trailer mounted vacuum	9540	09/21/2018		28,714.00	
					Payment 4146 Total:	28,714.00
Payment: 4147						
Santa Maria Sun, LLC	Conservation ads	286353	09/21/2018		396.00	
Santa Maria Sun, LLC	Conservation ads	286035	09/21/2018		396.00	
Santa Maria Sun, LLC	Conservation ads	285706	09/21/2018		396.00	
					Payment 4147 Total:	1,188.00
Payment: 4148						
SoCalGas	Heat - shop/office	SEPT2018B	09/21/2018		16.96	
SoCalGas	Heat - shop/office	SEPT2018A	09/21/2018		18.52	
					Payment 4148 Total:	35.48
Payment: 4149						
Special District Financing & A	Annual Assessment District A	14262	09/21/2018		1,500.00	
					Payment 4149 Total:	1,500.00
Payment: 4150						
Streator Pipe & Supply	Adapter spears, tees	1441978	09/21/2018		61.12	
					Payment 4150 Total:	61.12
Payment: 4151						
USA Bluebook	Total/Free chlorine reagent se	679688	09/21/2018		3,889.08	
USA Bluebook	Credit for Inv#665112 - pH bu	678432	09/21/2018		-114.76	
USA Bluebook	CHEMKEYS	679330	09/21/2018		223.86	
USA Bluebook	pH buffer	670386	09/21/2018		114.76	
USA Bluebook	Stenner pump, tubing, housin	675625	09/21/2018		2,217.72	
USA Bluebook	Maintenance kit for CL17	678325	09/21/2018		2,628.85	
					Payment 4151 Total:	8,959.51
Payment: 4152						
Waste Connections	Waste collection - Olde Towne	6178625	09/21/2018		218.69	
Waste Connections	Waste collection - Southland	6179041	09/21/2018		193.27	
Waste Connections	Waste collection - Office	6177610	09/21/2018		41.23	
					Payment 4152 Total:	453.19



Nipomo Community Services District

Item D-1 Warrants **OCTOBER 10, 2018**
By Payment Number

Payment Dates 10/10/2018 - 10/10/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount
Payment: 4153					
Abalone Coast Analytical, Inc.	Lab tests	4275	10/10/2018		5,692.70
					Payment 4153 Total:
					<u>5,692.70</u>
Payment: 4154					
Advanced Flow Measurement	Replace and calibrate controll	0003368	10/10/2018		8,821.78
					Payment 4154 Total:
					<u>8,821.78</u>
Payment: 4155					
Alexander's Contract Services,	Meter reading	201809280872	10/10/2018		2,495.93
					Payment 4155 Total:
					<u>2,495.93</u>
Payment: 4156					
Allweather Landscape Mainte	LMD	33037	10/10/2018		480.00
					Payment 4156 Total:
					<u>480.00</u>
Payment: 4157					
American Industrial Supply	5-gallon gas can	0323454	10/10/2018		106.62
					Payment 4157 Total:
					<u>106.62</u>
Payment: 4158					
AmeriPride	Uniforms	1502239631	10/10/2018		247.11
AmeriPride	Uniforms	1502243679	10/10/2018		260.56
					Payment 4158 Total:
					<u>507.67</u>
Payment: 4159					
AT&T	Telephone	11947702	10/10/2018		30.44
AT&T	Telephone	11947703	10/10/2018		162.28
AT&T	Telephone	11947704	10/10/2018		216.51
					Payment 4159 Total:
					<u>409.23</u>
Payment: 4160					
Blair, Robert	Travel/mileage reimbursemen	SEPT2018	10/10/2018		1,084.28
					Payment 4160 Total:
					<u>1,084.28</u>
Payment: 4161					
Brenntag Pacific, Inc.	Sodium hypochlorite	878793	10/10/2018		737.61
Brenntag Pacific, Inc.	Sodium hypochlorite	876989	10/10/2018		541.29
Brenntag Pacific, Inc.	Sodium hypochlorite	878794	10/10/2018		433.03
Brenntag Pacific, Inc.	Sodium hypochlorite	878795	10/10/2018		297.71
Brenntag Pacific, Inc.	Sodium hypochlorite	878792	10/10/2018		994.15
Brenntag Pacific, Inc.	Sodium hypochlorite	876988	10/10/2018		402.03
Brenntag Pacific, Inc.	Sodium hypochlorite	878791	10/10/2018		311.81
					Payment 4161 Total:
					<u>3,717.63</u>
Payment: 4162					
Brown, Gail	Washer rebate	SEPT2018	10/10/2018		75.00
					Payment 4162 Total:
					<u>75.00</u>
Payment: 4163					
California Electric Supply	Auxiliary contacts	7826-752520	10/10/2018		139.59
					Payment 4163 Total:
					<u>139.59</u>
Payment: 4164					
California Water Environment	CSM2 renewal	MALDONADO2018A	10/10/2018		92.00
					Payment 4164 Total:
					<u>92.00</u>
Payment: 4165					
California Water Environment	Membership renewal	VOELKER2018A	10/10/2018		188.00
					Payment 4165 Total:
					<u>188.00</u>

Item D-1 Warrants OCTOBER 10, 2018

Payment Dates: 10/10/2018 - 10/10/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount	
Payment: 4166						
Cannon Corporation	Standpipe water tank evaluati	66949	10/10/2018		875.00	
					Payment 4166 Total:	875.00
Payment: 4167						
Center For Hearing Health, Inc	Annual audiometric testing	16600	10/10/2018		555.00	
					Payment 4167 Total:	555.00
Payment: 4168						
Charter Communications	Internet - Shop and/or Office	OCT2018A	10/10/2018		214.97	
Charter Communications	Internet - Shop and/or Office	OCT2018B	10/10/2018		224.97	
					Payment 4168 Total:	439.94
Payment: 4169						
Clever Ducks	Computer expense	25910	10/10/2018		270.00	
Clever Ducks	Computer expense	25908	10/10/2018		495.00	
					Payment 4169 Total:	765.00
Payment: 4170						
Electricraft, Inc.	Repair at Maria Vista LS	12508	10/10/2018		1,868.00	
					Payment 4170 Total:	1,868.00
Payment: 4171						
Excel Personnel Services, Inc.	Employment agency	2624604	10/10/2018		434.00	
					Payment 4171 Total:	434.00
Payment: 4172						
GLM Landscape Management	Landscape maintenance	SEPT2018	10/10/2018		1,418.80	
					Payment 4172 Total:	1,418.80
Payment: 4173						
Great Western Alarm and Co	Alarm monitoring service	180900640101	10/10/2018		35.00	
Great Western Alarm and Co	Alarm monitoring service	180902062101	10/10/2018		67.00	
					Payment 4173 Total:	102.00
Payment: 4174						
Hach Company	CHEMKEYS	11137649	10/10/2018		3,167.66	
					Payment 4174 Total:	3,167.66
Payment: 4175						
IDModeling, Inc	Sedaru Implementation	310-001-03	10/10/2018		4,750.00	
IDModeling, Inc	Annual software maintenance	310-001-04	10/10/2018		16,200.00	
					Payment 4175 Total:	20,950.00
Payment: 4176						
Integrated Industrial Supply, I	Angle valve	56340	10/10/2018		268.13	
Integrated Industrial Supply, I	Disposable gloves, couplers	56283	10/10/2018		254.21	
					Payment 4176 Total:	522.34
Payment: 4177						
Lechowicz & Tseng Municipal	Blacklake Sewer rate study	AUG2018	10/10/2018		4,785.49	
					Payment 4177 Total:	4,785.49
Payment: 4178						
Mettler-Toledo, LLC	Calibration and preventive ma	654660010	10/10/2018		578.81	
					Payment 4178 Total:	578.81
Payment: 4179						
Miner's Ace Hardware	Supplies	SEPT2018	10/10/2018		429.64	
					Payment 4179 Total:	429.64
Payment: 4180						
Moncur, Paul	Washer rebate	SEPT2018	10/10/2018		75.00	
					Payment 4180 Total:	75.00
Payment: 4181						
Newton Geo-Hydrology Cons	Litigation support through 09-	SEPT2018	10/10/2018		7,488.28	
					Payment 4181 Total:	7,488.28
Payment: 4182						
Office Depot	Office supplies	206763004001	10/10/2018		272.39	

Item D-1 Warrants OCTOBER 10, 2018

Payment Dates: 10/10/2018 - 10/10/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount
Office Depot	Office supplies	206703847001	10/10/2018		87.64
Office Depot	Office supplies	205444917001	10/10/2018		146.70
Office Depot	Office supplies	206704273001	10/10/2018		12.86
Office Depot	Office supplies	206704272001	10/10/2018		9.64
Payment 4182 Total:					529.23
Payment: 4183					
Powerstride Battery Co., Inc.	Batteries	82675	10/10/2018		1,145.80
Payment 4183 Total:					1,145.80
Payment: 4184					
Praxair Distribution, Inc.	Carbon dioxide	85045713	10/10/2018		82.00
Praxair Distribution, Inc.	Carbon dioxide	85208268	10/10/2018		26.82
Payment 4184 Total:					108.82
Payment: 4185					
Rabobank	Petty cash	SEPT2018	10/10/2018		76.85
Payment 4185 Total:					76.85
Payment: 4186					
Richards, Watson & Gershon	Water Rights Adjudication	218537	10/10/2018		6,061.71
Payment 4186 Total:					6,061.71
Payment: 4187					
Richards, Watson & Gershon	Legal Services thru 8-31-18	218536	10/10/2018		10,100.73
Payment 4187 Total:					10,100.73
Payment: 4188					
Rogers, Anderson, Malody & S	Progress billing for FY 17-18 a	58740	10/10/2018		10,000.00
Payment 4188 Total:					10,000.00
Payment: 4189					
Santa Maria Sun, LLC	Conservation ads	286721	10/10/2018		396.00
Santa Maria Sun, LLC	Conservation ads	287145	10/10/2018		396.00
Payment 4189 Total:					792.00
Payment: 4190					
Spieß Construction Co.	Installation of hoop house	218161	10/10/2018		24,000.00
Payment 4190 Total:					24,000.00
Payment: 4191					
State Water Resources Contro	Exam application - Brewer	BREWER2018	10/10/2018		120.00
Payment 4191 Total:					120.00
Payment: 4192					
Terminix Commercial	Pest control	379297884	10/10/2018		52.00
Payment 4192 Total:					52.00
Payment: 4193					
UPS Store #6031	Package handling	9136	10/10/2018		903.40
Payment 4193 Total:					903.40
Payment: 4194					
US Bank National Association	Storage unit	SEPT2018C	10/10/2018		149.00
US Bank National Association	Repair and maintenance - mai	SEPT2018E	10/10/2018		229.41
US Bank National Association	Operating supplies	SEPT2018G	10/10/2018		245.48
US Bank National Association	Board meeting supplies	SEPT2018A	10/10/2018		24.86
US Bank National Association	Recruitment event	SEPT2018H	10/10/2018		300.00
US Bank National Association	Office supplies	SEPT2018D	10/10/2018		36.98
US Bank National Association	Meals & Travel	SEPT2018B	10/10/2018		944.59
US Bank National Association	Membership/certification ren	SEPT2018I	10/10/2018		243.00
US Bank National Association	Education and Training - Boar	SEPT2018F	10/10/2018		448.53
Payment 4194 Total:					2,621.85
Payment: 4195					
USA Bluebook	Nitrite tests, pipet tip, filters	687229	10/10/2018		240.55
Payment 4195 Total:					240.55
Payment: 4196					
Verizon Wireless	Cell service	9515195843	10/10/2018		530.47

Item D-1 Warrants OCTOBER 10, 2018

Payment Dates: 10/10/2018 - 10/10/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	(None)	Amount
				Payment 4196 Total:	<u>530.47</u>
Payment: 4197					
Wallace Group	FOG program	46749	10/10/2018	Payment 4197 Total:	<u>250.00</u>
					250.00

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: OCTOBER 5, 2018

AK



**APPROVE SEPTEMBER 12, 2018
REGULAR BOARD MEETING MINUTES**

ITEM

Approve action minutes from previous Board meetings. [RECOMMEND APPROVE MINUTES]

BACKGROUND

The draft minutes are a written record of the previous Board Meeting action.

RECOMMENDATION

Approve Minutes

ATTACHMENT

- A. September 12, 2018 draft Regular Board Meeting Minutes

OCTOBER 10, 2018

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

SEPTEMBER 12, 2018 AT 9:00 A.M.

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

ED EBY, **PRESIDENT**
DAN ALLEN GADDIS, **VICE PRESIDENT**
BOB BLAIR, **DIRECTOR**
CRAIG ARMSTRONG, **DIRECTOR**
DAN WOODSON, **DIRECTOR**

PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**
LISA BOGNUDA, **FINANCE DIRECTOR**
WHITNEY MCDONALD, **GENERAL COUNSEL**
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**

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.

A. CALL TO ORDER AND FLAG SALUTE

President Eby called the Regular Meeting of September 12, 2018, to order at 9:00 a.m. and led the flag salute.

B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

At Roll Call, all Directors were present.

C. PRESENTATIONS AND REPORTS

C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Woodson

- *August 27, attended SCAC meeting.*

Director Gaddis

- *September 4, attended Board Officer's meeting.*

Director Armstrong

- *September 5, attended WRAC meeting.*

Director Eby

- *August 20, attended the NMMA Technical Group meeting.*
- *September 4, attended Ad Hoc meeting on WSRMP.*
- *September 4, attended Board Officer's meeting.*
- *September 5, attended meeting with SLO County Auditor Controller.*

C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS

There was no public comment.

*Upon the motion of Director Gaddis and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.
Vote 5-0.*

SUBJECT TO BOARD APPROVAL

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

<i>YES VOTES</i>	<i>NO VOTES</i>	<i>ABSENT</i>
<i>Directors Gaddis, Blair, Woodson, Armstrong, and Eby</i>	<i>None</i>	<i>None</i>

D. CONSENT AGENDA

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) APPROVE AUGUST 8, 2018, REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]

D-3) APPROVE AMENDED GENERAL MANAGER EMPLOYMENT CONTRACT

District Legal Counsel, Whitney McDonald, provided an oral summary of the amended General Manager employment contract:

- Salary adjustment of 4.99%, consisting of 2.12% merit and 2.87% Cost of Living Adjustment. Salary increased from \$153,000 to \$160,635.00 annually, effective July 1, 2018.
- Increase the number of Administrative Leave days from five to eight, effective July 1, 2018.

There was a typographical error Section 12 (A)(1). It should be 1 and 1/4th not 1 and 114th. It was also noted that all District employees received the 2.87% Cost of Living Adjustment on July 1, 2018.

There were no public comments.

*Upon the motion of Director Armstrong and seconded, the Board unanimously approved the Consent Agenda (with correction to Item D-3, Section 12(A)(1)).
Vote 5-0.*

<i>YES VOTES</i>	<i>NO VOTES</i>	<i>ABSENT</i>
<i>Directors Armstrong, Gaddis, Blair, Woodson and Eby</i>	<i>None</i>	<i>None</i>

E. ADMINISTRATIVE ITEMS

E-1) SOLID WASTE FUND #300 REVIEW OF RESERVE LEVEL AND SPENDING PLAN
[RECOMMEND REVIEW AND DISCUSS FINANCE AND AUDIT COMMITTEE
RECOMMENDATIONS AND DIRECT STAFF]

Mario Iglesias, General Manager, presented the report as presented in the Board packet and answered questions from the Board. The Finance and Audit Committee met on August 6, and after consideration, the Committee recommended the full Board consider the following three items:

1. What Cash Reserve Level should be maintained?
2. How should annual franchise fees be used?
3. What percent of the franchise fee should the District maintain?

The following members of the public spoke:

SUBJECT TO BOARD APPROVAL

Thomas Geaslen, Nipomo resident, requested the Board consider using local Non-Profit organizations to manage the solid waste grant program.

Jeff Long, Executive Director of Nipomo Recreation, described his organization and its ability to manage the solid waste grant program due to its 50+ employees.

Deb Geaslen, Chief Financial Officer of the Olde Town Nipomo Association (OTNA), stated the purpose of the organization and described completed projects and on-going beautification projects. Ms. Geaslen stated the Olde Town Nipomo Association could properly manage the solid waste grant program and requested the Board to look favorably and unbiased on the OTNA. Ms. Geaslen handed out a letter to the Board of Directors.

Mr. Iglesias also read a letter addressed to the Board of Directors dated September 5, 2018 from Mr. Thomas Geaslen.

President Eby requested the following excerpt of Mr. Geaslen's letter be placed into the minutes:

"Please consider the following Nipomo Non-Profits for the management of the Achievement House waste materials contract. The Nipomo Recreation Association, the Nipomo Old Town Association and the Nipomo VFW Chapter 10978. All three have the resources and compliance structure in place to ensure the cleanup management function is carried out the way it was designed. All three are in good standing. All three are fiscally responsible. All three will make proper use of the monies generated by re-investing in the Nipomo Community. Each of these groups have a significant impact on the Nipomo community, so whoever you choose will satisfy the obligation with highest regard. Please allow each of these groups to present a solution that addresses this opportunity."

President Eby stated the Board is not considering grant funding options at this meeting. The agenda items for consideration will be addressed.

1. What Cash Reserve Level should be maintained?

Director Woodson suggested \$150,000 and Directors Blair Gaddis and Armstrong all said they could agree. Director Eby preferred \$115,000 but could agree to \$150,000.

The Cash Reserve Policy annual review will take place at the October Board meeting and this item will be included as a recommended modification.

2. How should annual franchise fee be used?

Status Quo (use of funds for local clean-up projects, Creek Clean Up, Olde Towne garbage can pick up and other Board approved uses) was preferred by all Board members. It was noted that the Board does not want to participate in future County neighborhood clean-up days.

3. What percent of the franchise fee should the District maintain?

The Board directed Staff to prepare a policy for Board consideration that addresses the franchise fee percentage, budgeted programs and use of excess funds over and above the established cash reserve balance.

E-2) CONSIDER AUTHORIZING TASK ORDER FOR DESIGN ENGINEERING SERVICES FOR SUPPLEMENTAL WATER PROJECT NIPOMO AREA PIPELINE IMPROVEMENTS [RECOMMEND ADOPT RESOLUTION AUTHORIZING FINAL DESIGN TASK ORDER WITH AECOM IN THE AMOUNT OF \$63,599]

Peter Sevcik, Director of Engineering and Operations, presented the item and answered

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

questions from the Board. The reason to proceed now with a budget amendment is it will take 22 weeks to complete design and be ready to bid, a "shovel-ready project" will allow the District to be more competitive in obtaining Prop 1 funding, and if drought conditions continue, the District may need additional pipeline capacity.

The Board directed Mr. Sevcik to contact AECOM and request a cost to include a bid alternate for a 16 inch pipe. This may be considered at a future Board meeting.

The following member of the public spoke:

Pam Wilson, NCS D customer, asked about future mix of water-groundwater and supplemental water.

Upon the motion of Director Armstrong and seconded, the Board unanimously approved the authorizing a Task Order to AECOM in the amount of \$63,599 for engineering services for supplemental water project Nipomo area pipeline improvements and amending the FY 2018-19 budget.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Gaddis, Blair, Woodson, and Eby	None	None

2018-1485

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A TASK ORDER TO AECOM IN THE AMOUNT OF \$63,5999
FOR ENGINEERING SERVICES FOR SUPPLEMENTAL WATER PROJECT
NIPOMO AREA PIPELINE IMPROVEMENTS AND AMENDING FY 2018-19 BUDGET

- E-3) CONSIDER AUTHORIZING TASK ORDER FOR DESIGN ENGINEERING SERVICES FOR SUPPLEMENTAL WATER PROJECT GOLDEN STATE WATER COMPANY AND WOODLANDS MUTUAL WATER COMPANY INTERCONNECTS [RECOMMEND ADOPT RESOLUTION AUTHORIZING FINAL DESIGN TASK ORDER WITH MKN & ASSOCIATES IN THE AMOUNT OF \$78,836]

Peter Sevcik, Director of Engineering and Operations, presented the item and answered questions from the Board

There was no public comment.

Upon the motion of Director Gaddis and seconded, the Board unanimously approved the authorizing a Task Order to with MKN & Associates for final design engineering services for supplemental water project – Golden State Water company and Woodlands Mutual Water Company interconnects.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Gaddis, Blair, Woodson, Armstrong and Eby	None	None

2018-1486

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A TASK ORDER WITH MKN & ASSOCIATES FOR FINAL DESIGN
SERVICES FOR SUPPLEMENTAL WATER PROJECT – GOLDEN STATE WATER COMPANY
AND WOODLANDS MUTUAL WATER COMPANY INTERCONNECTS

F. MANAGER'S REPORT

Mario Iglesias, General Manager, presented the report as presented in the Board packet.

There were no public comments.

G. COMMITTEE REPORTS

NCSD AD HOC COMMITTEE – WATER SHORTAGE AND RESPONSE PLAN REVIEW

Mario Iglesias, General Manager, reported the Ad Hoc Committee met on September 4.

- Committee discussed the Key Well Index (KWI) and the Water Shortage Response Management Plan (WSRMP).
- Committee reviewed the WSRMP and determined it needs to be modified due to the importation of supplemental water that started in 2015.
- Committee will meet again on September 18 to finalize their recommendations to the Board which is expected to be on October 10.

President Eby stated:

- Prior to importation of supplemental water, NCSD pumped 14% of all groundwater extracted from the NMMA, currently is pumping 8% of all NMMA groundwater extracted from the NMMA, and is expected to be pumping only 3% of the water from the NMMA in year 2025.
- NCSD's shift away from groundwater pumping to importing water through the supplemental water project does not appear to have a measurable impact on the KWI.
- The Committee reviewed the construction schedule to complete the supplemental water project.
- The committee reviewed the possibility of allowing Intent-To-Serve letters to be issued in the future based on the availability of imported water.

There were no public comments.

H. DIRECTORS' REQUEST TO STAFF AND SUPPLEMENTAL REPORTS

Director Blair requested staff review and consider modifying ordinance to allow meters to be turned off for a fee when property owner is not at home (i.e. extended vacation).

There were no public comments.

I. CLOSED SESSION

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9

SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND A LITIGATION PURSUANT TO GC §54956.9 ALL CONSOLIDATED CASES)

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code 54956.8)

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

Property: [APN 091-301-038]
Agency negotiator: Mario Iglesias
Negotiating parties: Verizon Wireless
Under negotiation: Price, terms of payment, or both

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

President Eby requested a 10 minute break and adjourned to Closed Session at 10:25 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Whitney McDonald, District Legal Counsel, announced that the Board discussed Items 1 and 2. The Board took no reportable action.

There were no public comments.

ADJOURN

President Eby adjourned the meeting at 11:25 a.m.

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 25 minutes
Closed Session	1 hour 00 minutes
TOTAL HOURS	2 hour 25 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: OCTOBER 1, 2018

AGENDA ITEM

D-3

OCTOBER 10, 2018

EUREKA WELL DRILLING PROJECT DISCUSSION ON PROJECT DEVELOPMENT

ITEM

Review and discuss project development. [RECOMMEND RECEIVE REPORT AND PROVIDE DIRECTION TO STAFF AS NEEDED]

BACKGROUND

The District has a groundwater well located near the intersection of Willow Road and Highway 1, the Eureka Well. The Eureka Well was drilled in 1974 and utilized by the District until August 2016 when the well casing collapsed and the well was taken off-line. After investigating the options of lining or repairing the collapsed well casing, it was determined that a replacement well would need to be drilled as the extent of the failure in the existing well could not be overcome.

The budget estimated for replacing the Eureka Well is \$1,000,000 dollars and is included in this fiscal year's budget. Of this amount, \$600,000 will fund the drilling work and \$400,000 will fund the mechanical and site work. The entire project will take about one year to complete, depending upon the conditions encountered during the work. If necessary, the District could consider drilling, but not equipping the well, if funding is directed towards a project deemed more critical. The Eureka Well was a major water production before it failed providing over 1,100 gallons of water per minute. However, the Nipomo Supplemental Water Project has been able to meet customer demands.

Drilling a replacement well requires the District to develop a plan for managing a significant amount of development water. Millions of gallons of water used to drill and develop the well must be disposed during the well development process and establishing a means for managing this development water is critical in planning the project. The District can haul the water off-site or lease neighboring properties to dispose of the water. Hauling water can be problematic, as there needs to be a recipient accepting the water and a fleet of water tenders to transfer the water. Spray fields or land base disposal is generally less expensive than hauling water off-site and considered a preferred method by staff.

The District is negotiating with neighboring landowners to lease property for a spray field, but will not be able to secure a lease for the property until an appraiser assesses the property and provides the District with a formal assessment. Mr. Todd Murphy of Schenberger, Taylor, McCormick & Jecker, Inc. is contracted to provide such an assessment report. The District expects an appraisal of the property to be completed by Mr. Murphy sometime by mid-October.

The property being assessed for District use as a spray field is generally leased as farmland and, as such, is leased on an annual basis. The growing season, and therefore the leasing time period, runs from September through August. The District will need to lease the parcel for

one year. The growing season dictates the timing for entering into a one-year lease agreement. Leasing the site any earlier in the summer months exposes the District to the cost of purchasing the product growing on the site. This was the District's experience with the Joshua Road Pump Station project and the District had to compensate the farmer for lost product.

By putting off drilling activities until September 2019, it puts the well development activities at risk of slipping into the winter months. Depending upon the weather and ground saturation, the ground could limit the contractor's ability to dispose of the water through the spray field. This could mean well development would be put on hold for several months until such time that the area could accept the development water.

In conclusion, well drilling can be difficult in the best of circumstances. There are a host of problems that can disrupt schedules and add cost to the process. By putting off the drilling until September 2019, the District benefits by providing the well driller a 1-year window of opportunity to work through these problems. In particular, having an agreement for disposal of development water from September to August of the following year assures the District has minimized the potential for renegotiating with the property owner to extend the lease due to some unforeseeable problem.

Putting the Eureka Well project on the District's schedule to begin in September 2019 would maximize the window of opportunity for utilizing the parcel needed for spray disposal of the development water. The risk in waiting another year is the District may need the well if another District well fails during the peak demand periods of the coming year.

FISCAL IMPACT

The Eureka Well project is funded in the current fiscal year from the Water Funded Replacement #805 fund. The project costs will be carried over into the next fiscal year. Waiting to begin the project until September 2019 will not have a negative financial impact on the fund.

STRATEGIC GOAL

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends your Honorable Board review and discuss the details of the Eureka Well project development as modified and proposed by District staff and direct staff as needed.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: OCTOBER 4, 2018

AGENDA ITEM
E-1
OCTOBER 10, 2018

RECEIVE BLACKLAKE SEWER RATE STUDY PRESENTATION AND DIRECT RATE CONSULTANT TO PREPARE A DRAFT RATE STUDY REPORT FOR PRESENTATION AT THE DISTRICT'S OCTOBER 24, 2018 BOARD MEETING

ITEM

Receive Blacklake Sewer Rate Study presentation and direct rate consultant to prepare a draft Rate Study Report for presentation at the District's October 24, 2018 Board Meeting [RECOMMEND RECEIVE PRESENTATION AND DIRECT RATE CONSULTANT TO DRAFT A RATE STUDY REPORT]

BACKGROUND

At your October 25, 2017 Board Meeting, your Board accepted the Blacklake Sewer Master Plan ("Master Plan"). This action provided a path forward for the Nipomo Community Services District ("District") to evaluate the financial needs of the Blacklake Sewer Enterprise. The Master Plan is essential for the District to construct rates and charges commensurate with operating and capital maintenance funding needs. Only through this process of evaluation can the District provide assurances to the Blacklake community that Sewer facilities are reliable, sustainable, and properly funded now and into the future.

The District formed an Ad Hoc Committee to work with the Blacklake\NCSD Oversight Committee for the purpose of mutually developing a clear understanding of the needs of the sewer system that supports the Blacklake community. The two committees meet regularly to discuss and evaluate the Master Plan during its development as well as the scope of work for the rate study and financial needs assessment as it was being developed by District consultants.

The two committees maintained communication channels during the Rate Study Report development period, jointly meeting with the rate consultant to refine and clarify content. The parties concurred with the Master Plan findings and the rate study outcomes. It should be noted that rates for the Blacklake sewer customers have remained unchanged for 5 years. Simple inflationary drivers add pressure on rates that, unattended too, influence the District ability to operate the sewer facility.

At your Honorable Board's June 27, 2018 Board Meeting, Lechowicz and Tseng ("L&T") was awarded the contract to conduct a rate study for the Blacklake Sewer Enterprise. L&T is a municipal consulting firm that provides public agencies with funding solutions through rate analysis and construction. Taking full consideration of the identified capital replacement needs in the Master Plan, interviewing District Staff, reviewing the enterprise's financial history, and projecting inflationary factor into a financial needs assessment, L&T constructed a rate that is fair and equitable for the Blacklake sewer system users.

L&T's findings are identified in the attached presentation [Attachment A]. The focus of the presentation is twofold: identify the financial needs of the sewer facilities and, demonstrate how funding through rates will address those identified financial needs. The presentation will show that the majority of the rate increase over the 5-year rate study period is for replacement of capital

infrastructure. Funding for capital infrastructure has been inadequately addressed in prior rate adjustments.

The 2008 Rate Study, the most recent rate study, recognizes the lack of commitment to fund capital replacement infrastructure for the sake of gaining customer approved rates. The community rejected the 2007 Rate Study and the District was compelled to conduct the 2008 Rate Study. Almost \$400,000 of capital replacement funding was removed from the final rate adjustment. It is the Blacklake community that decides whether or not to accept the District's recommendations.

District rate studies including all the Blacklake rate studies are available on the District's webpage. Review of these studies makes clear to the reader that the District is limited to collecting funds to operate and maintain the sewer system through customer accepted rates and charges. It is the owners and beneficiaries of the sewer system that decide what rates and charges they are willing to accept.

The next steps in the rate adjustment process is to inform and engage with the Blacklake Community. The proposed schedule for reaching the rate adjustment date of April 1, 2019 is as follows:

Date	Description
Oct. 10, 2018*	Board Meeting – Rate Presentation
Oct. 24, 2018*	Board Meeting – Rate Study Report (draft)
Oct. 24, 2018*	Present to Blacklake Residents 3:00PM Blacklake Golf Course Clubhouse
Nov. 14, 2018*	Board Meeting Receive Rate Study Report, Initiate Prop. 218 Proceedings
Nov. 29, 2018	Date for Mailing 218 Notices
Jan. 14, 2019	45 Day Notice Period
Jan. 23, 2019*	Prop. 218 Hearing – Board Meeting
Feb. 13, 2019	30 day waiting period – rate could be effective
April 1, 2019	Rate put into effect

*Rate Consultant Present

FISCAL IMPACT

The fiscal impact of successfully passing the recommended rate schedule for the next five year study period will be that a positive cash flow sufficient to meet the funding requirements of the Blacklake sewer infrastructure replacement, cash reserves, operational, and maintenance needs. Failure to adjust rates as recommended and calculated by L&T and based off the Master Plan would leave the sewer facilities at Blacklake without adequate funding to sustain the enterprise, reduce systems reliability, and would increase the risk of violating the systems operating permit.

STRATEGIC PLAN

- Strategic Plan Goal 2.1 – Efficiently Operate Collection, Treatment and Disposal Works
- Strategic Plan Goal 2.2 – Upgrade and Maintain Collection and Treatment Works
- Strategic Plan Goal 2.4 – Provide for Disposal of Biosolids
- Strategic Plan Goal 2.5 – Comply with State and Federal Regulations and Mandates

RECOMMENDATION

Staff recommends that your Honorable Board receive L&T's presentation, take public comment, and direct L&T to include any edits or corrections received in today's Board Meeting in a draft Rate Study Report to be presented at the District's next regularly scheduled Board Meeting, October 24, 2018.

ATTACHMENTS

- A. L&T Blacklake Sewer Rate Study Presentation

OCTOBER 10, 2018

ITEM E-1

ATTACHMENT A

Nipomo CSD

Blacklake Sewer Rate Study



October 10, 2018



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager



Why is a rate study needed?

The Blakelake sewer utility is an enterprise fund that is self-supported by rates

Last rate study was conducted in 2007 and rates were last adjusted in 2013

Customer Class	Apr 2009	Jan 2010	Jan 2011	Jan 2012	Jan 2013 to Current
Single Family	\$107.12	\$118.90	\$131.98	\$138.58	\$145.51
Multi-Family	\$69.99	\$77.69	\$86.24	\$90.55	\$95.08

Since 2013, Blacklake has experienced inflationary cost increases



Why is a rate study needed?

Master Plan was developed over the past four years and identifies \$3.5 million in projects (for continued operation of the local treatment plant) through FY2023 = main driver of the rate study

The treatment plant is 33 years old and has never had major retrofits

In contrast, the Town treatment plant is the same age and has been rebuilt

Most sewer treatment equipment has a 25 year service life



Blacklake Operations

FY2018 End of Year Results: slight positive operating revenues, met operating reserve targets (50% of operating costs)

Current operating balance is \$243,000 plus \$50,000 in the rate stabilization reserve

Current rate revenues are \$475,000 annually (plus a few thousand in interest earnings)

3% annual inflationary cost increases for most budget categories

Increase from \$287,000 in current costs in FY2018 to \$352,000 in FY2023

Staffing adjustment +0.7 FTE (full time equivalent) wastewater treatment operator

New operator is +\$62,000/yr starting in FY2020 + inflation

Total operations in FY2023 is projected to be \$420,000 before capital contribution and improvements



Blacklake Operations Continued

Projected \$30,000/yr in equipment purchases (shared with the Town system)

Capital Replacement

Current balance of \$819,000

Target is \$1.2 million

Strategic goal is to use the capital reserve to fund projects as needed

Increase current set aside of \$168,000/yr by +3% annually

With the equipment purchase and capital replacement, the total operating costs will increase from \$477,000 (FY2018) to \$638,000 (FY2023)





Master Plan Capital Improvements

Local improvements (excludes projects for regionalization)

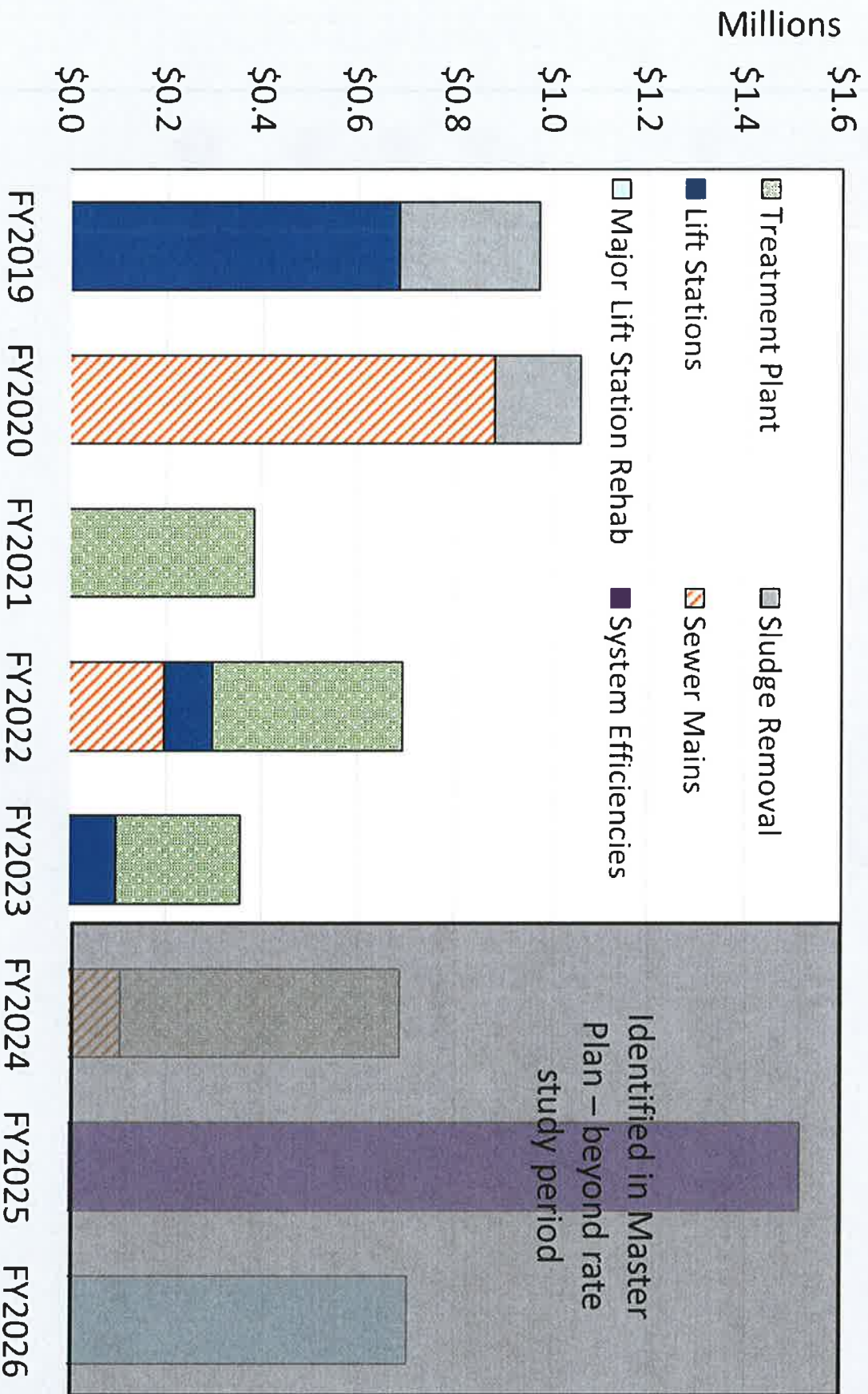
Costs escalated from 2013 (noted in Master Plan) to year of construction

Rate study is from FY2019 to FY2023 = \$3.5 million

Capital Cost Category	Total Expense Through FY2023
Lift Stations	\$883,700
Sewer Mains	\$1,076,600
Sludge Removal	\$468,600
Treatment Plant	<u>\$1,035,100</u>
Total	\$3,464,000

Blacklake Sewer Capital Improvement Plan

(costs escalated to year of construction)





Why are projects needed?

- Maintain compliance with regulations
- Avoid costly emergency repairs and intensive maintenance spending
- Avoid State take-over of the system (extreme scenario)
- Avoid lift station collapse and bypass pumping
- Avoid main breaks and sewage leaks
- Avoid treatment plant overflows and fines from the State



Sewer overflow



Sewer main
destroyed by roots



Sewage spill



Capital Improvement Funding

Funding of \$3.5 million in capital projects

\$819,000 in existing capital reserves

\$168,000 (+3%/yr increase) annual cash contribution (\$890,000 total)

New debt of \$1.8 million in FY2020

Debt provides ratepayer equity – those taking service from the projects will pay down the debt over time

For the planning period beyond FY2023:

Community should determine continued local operation or regionalization of the treatment plant

Conduct an additional engineering analysis for

long-term repairs and replacements (beyond next 8 years)

Review regulatory concerns, permitting requirements, and unknown wastewater constituents





Financial Planning

New debt of \$1.8 million for master plan projects

Estimated debt service cost of \$144,000 annually beginning in FY2021 (rough planning estimate based on 20 years at 5% interest)

Current total annual revenues: \$479,000

Current total expenses: \$477,000

FY2023 Expenses:

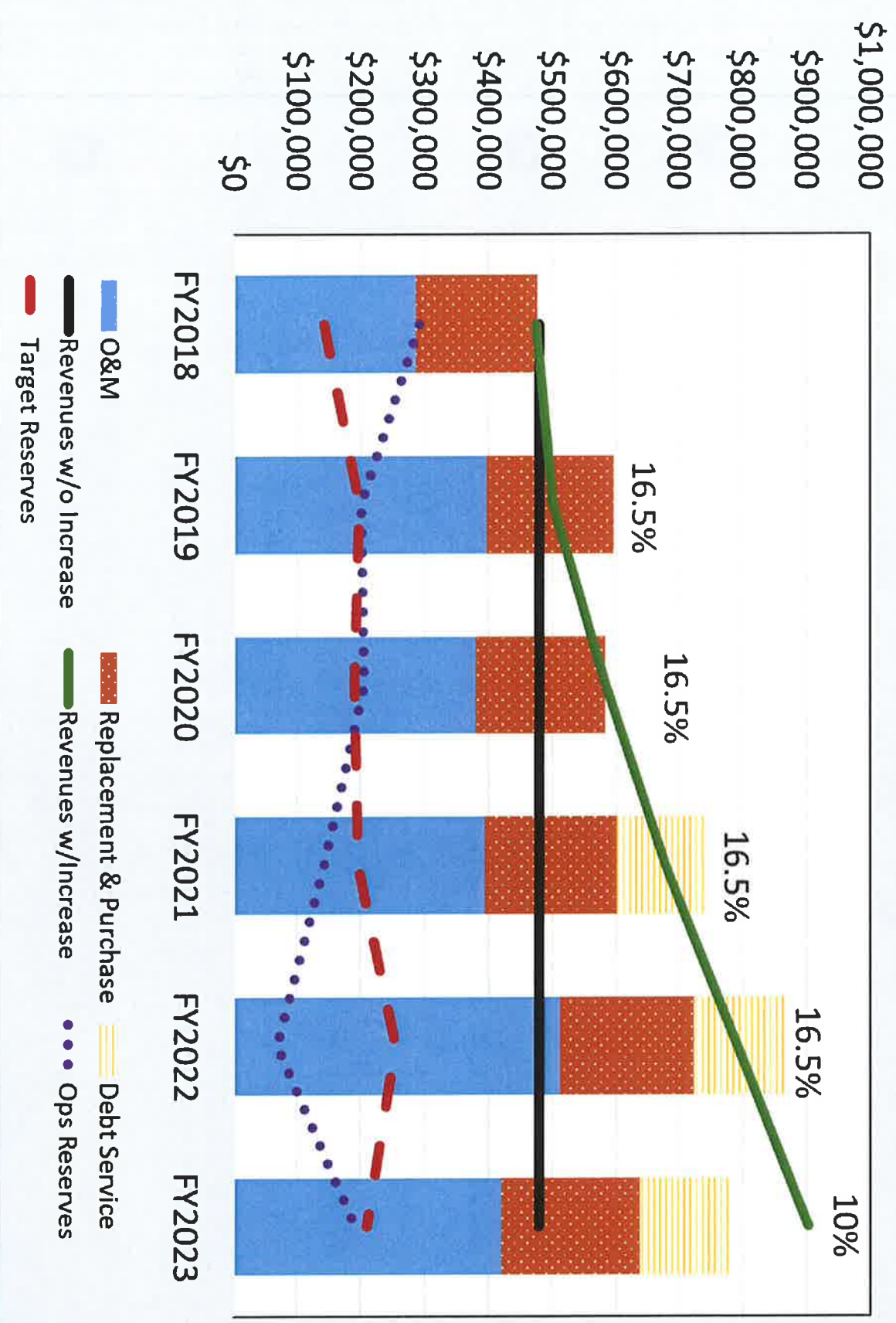
Expense Category	FY2023 Projected Cost
Operations	\$420,000
Equipment Purchase	\$30,000
Capital Replacement	\$188,000
New Debt	<u>\$144,000</u>
Total	\$782,000



Blacklake Cash Flow

Line	Revenues	FY2018 Year-End	FY2019 Budget	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
1	Rate Revenues	475,000	501,000	584,000	680,000	792,000	904,000
2	Interest Income	<u>4,000</u>	<u>3,000</u>	<u>2,000</u>	<u>2,000</u>	<u>1,000</u>	<u>0</u>
3	Total Revenues	479,000	504,000	586,000	682,000	793,000	904,000
	Operations						
4	General & Admin	33,800	45,000	47,300	49,600	51,900	54,200
5	Legal & Professional Services	8,700	99,000	10,300	10,600	115,000	11,200
6	Operations Staffing	121,000	116,000	119,000	123,000	127,000	131,000
7	Staffing Adjustment	0	0	62,000	64,000	66,000	68,000
8	Other O&M	<u>123,400</u>	<u>137,000</u>	<u>141,700</u>	<u>146,400</u>	<u>151,100</u>	<u>155,800</u>
9	Subtotal	286,900	397,000	380,300	393,600	511,000	420,200
10	Asset Replacement	168,000	168,000	173,000	178,000	183,000	188,000
11	Fixed Asset Purchase	<u>22,000</u>	<u>31,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
12	Subtotal	190,000	199,000	203,000	208,000	213,000	218,000
13	Debt Service	0	0	0	144,000	144,000	144,000
14	Total Expenses	476,900	596,000	583,300	745,600	868,000	782,200
15	Net Revenues	2,100	(92,000)	2,700	(63,600)	(75,000)	121,800

Blacklake Cash Flow





Capital Cash Flow

Line		FY2019 Budget	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
1	Beginning Fund Balance	819,000	25,000	938,600	732,000	223,900
REVENUES						
2	Interest Income	11,000	0	0	0	0
3	Transfer from Operations	168,000	173,000	178,000	183,000	188,000
4	Debt Proceeds	<u>0</u>	<u>1,800,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
5	Total Revenues	179,000	1,973,000	178,000	183,000	188,000
PROJECTS						
6	Lift Stations	683,400	0	0	102,500	97,800
7	Sewer Mains	0	880,400	0	196,200	0
8	Sludge Removal	289,600	179,000	0	0	0
9	Treatment Plant	<u>0</u>	<u>0</u>	<u>384,600</u>	<u>392,400</u>	<u>258,100</u>
10	Total Expenses	973,000	1,059,400	384,600	691,100	355,900
11	Net Revenues	(794,000)	913,600	(206,600)	(508,100)	(167,900)
12	Ending Balance	25,000	938,600	732,000	223,900	56,000



Rate Setting Background

Sewer rates are subject to Proposition 218

Rates must be based on the reasonable cost of service

Rates must proportionally recover costs based on how customers take service

Covers rates over a 5-year period

Procedural requirements: conduct a rate study, mail a notice to property owners, hold a hearing a minimum of 45 days later, protest vote



Current Bi-monthly Rates

Customer Class	Current Charge
Bi-Monthly Residential Service Charges	
Single Family	\$145.51 487 customers
Multi-Family	\$95.08 68 customers
Non-Residential Service Charges	
Fixed Meter Charges	
Up to 1"	\$65.52 3 meters
1.5"	\$186.50
2"	\$295.38 1 meter
3"	\$549.43
4"	\$912.36
6"	\$1,819.68
8"	\$2,908.48

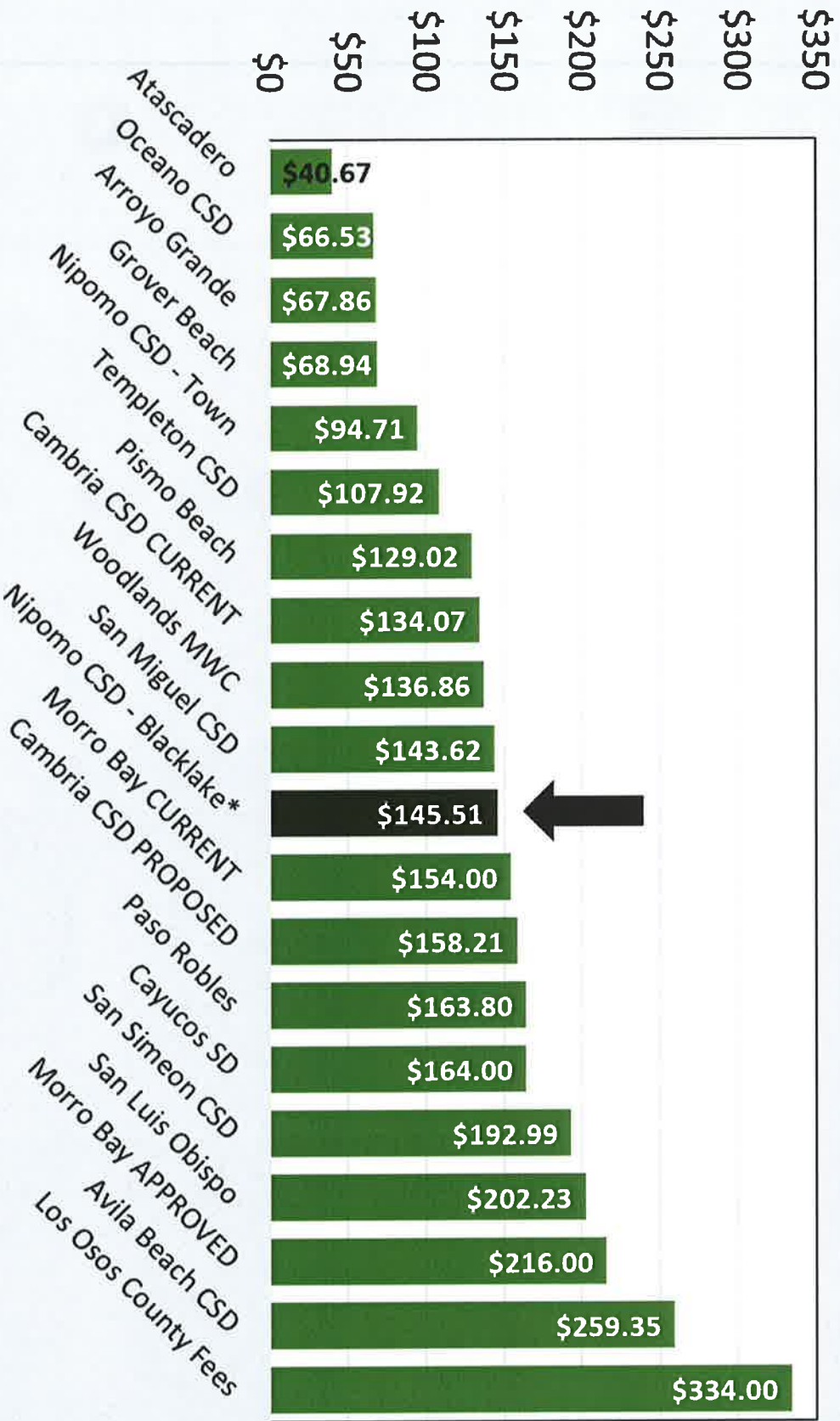
Non-Residential Usage Rates (\$/HCF)

Low Strength	\$3.56
Medium Strength	\$4.80
High Strength	\$7.59

HCF = hundred cubic feet, 748 gallons

Bi-Monthly Wastewater Bills

Residential Customer with 21 HCF Bi-monthly Winter Water Use



* Does not include loan surcharge which will be eliminated April 1, 2019



Rate Study Goals

Update the cost of service – last rate change was in 2013

Collect sufficient funds to cover:

Operations

Capital replacement

Accumulation of reserves for emergencies

Funding of capital improvements from the Master Plan

Meet Proposition 218 legal requirements

New rates effective April 2019





Rate Design

	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue increase	16.5%	16.5%	16.5%	16.5%	10.0%

Revised cost allocation. FY2019 budgeted costs allocated to:

Customer service

Capacity

Flow

Wastewater pollutant strength (BOD, TSS)

Reviewed flow and strength characteristics

Single family residential flow is 21 HCF/bi-monthly period
(current rate design assumes 22 HCF)

Multi-family residential flow is 5.2 HCF/bi-monthly period
(current rate design assumes 4 HCF)

Residential strength assumptions to remain the same

Commercial strength assumptions to remain the same

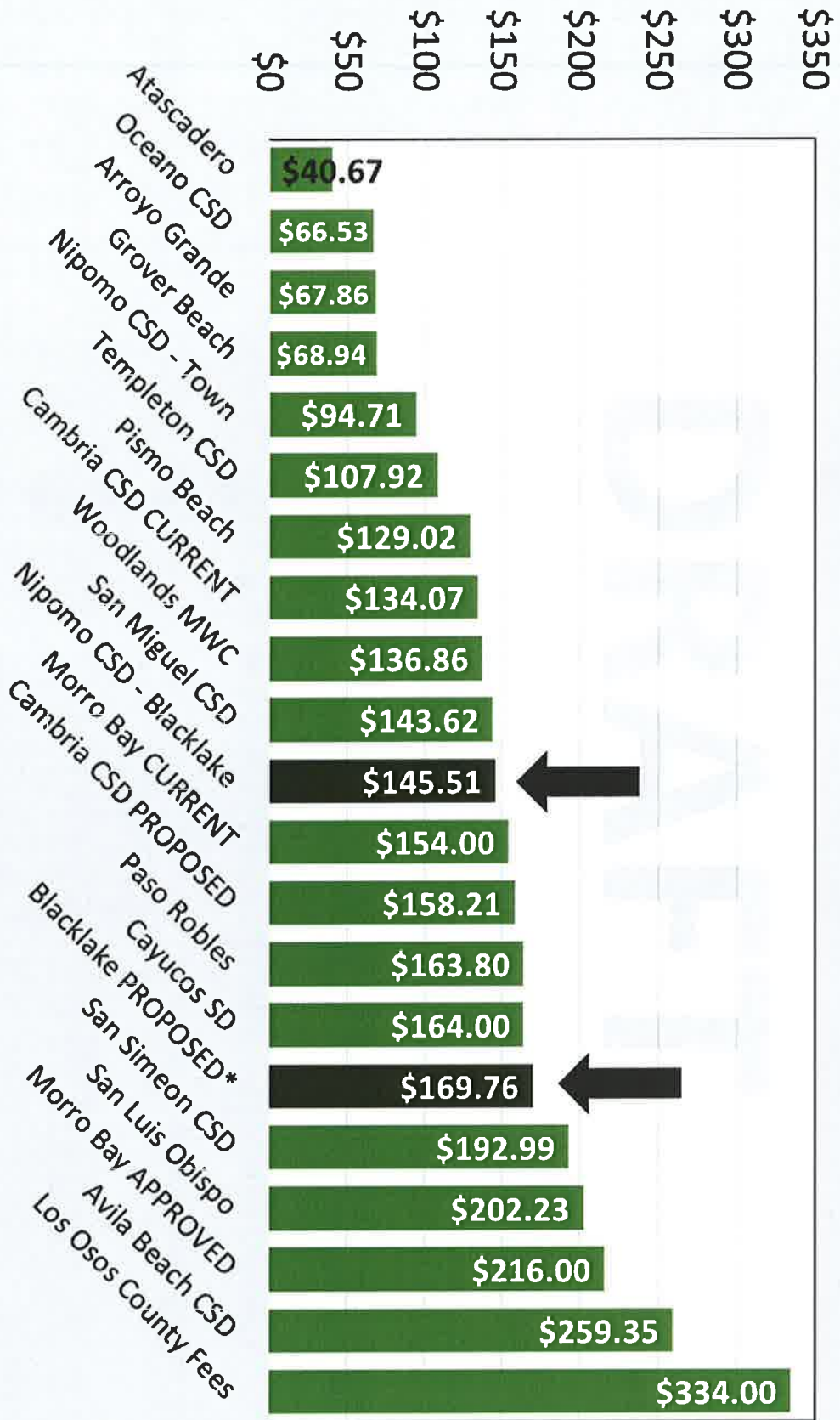


Proposed Rates

Customer Class	Current	Apr-19	Apr-20	Apr-21	Apr-22	Apr-23
Bi-Monthly Residential Service Charges						
Single Family	\$145.51	\$169.76	\$197.77	\$230.40	\$268.42	\$295.26
		16.7%	16.5%	16.5%	16.5%	10.0%
Multi-Family	\$95.08	\$109.08	\$127.07	\$148.04	\$172.47	\$189.72
		14.7%	16.5%	16.5%	16.5%	10.0%
Non-Residential Service Charges						
Fixed Meter Charges		34.8%	16.5%	16.5%	16.5%	10.0%
Up to 1"	\$65.52	\$88.35	\$102.93	\$119.91	\$139.70	\$153.67
1.5"	\$186.50	\$233.45	\$271.97	\$316.85	\$369.13	\$406.04
2"	\$295.38	\$364.04	\$424.11	\$494.09	\$575.61	\$633.17
3"	\$549.43	\$668.75	\$779.09	\$907.64	\$1,057.40	\$1,163.14
4"	\$912.36	\$1,104.05	\$1,286.22	\$1,498.45	\$1,745.69	\$1,920.26
6"	\$1,819.68	\$2,192.30	\$2,554.03	\$2,975.44	\$3,466.39	\$3,813.03
8"	\$2,908.48	\$3,498.20	\$4,075.40	\$4,747.84	\$5,531.23	\$6,084.35
Non-Residential Usage Rates (\$/HCF)						
Low Strength	\$3.56	\$3.97	\$4.63	\$5.39	\$6.28	\$6.91

Bi-Monthly Wastewater Bills

Residential Customer with 21 HCF Bi-monthly Winter Water Use



* Does not include loan surcharge which will be eliminated April 1, 2019



Procedural Overview

Finalize rate recommendations and report

Mail Proposition 218 notices to customers explaining proposed rates and protest procedures

Protests must be in writing and received by the end of the public hearing

If more than 50% of property owners protest, rates cannot be implemented

Mail notices in November (more than 45 days in advance of the public hearing)

Hold a public hearing in January

If approved, rates will go into effect April 2019

Each year, Board will review the budget and rates (if approved). Board has the option to adopt lower rates without additional hearings.




Schedule

Date	Event
October 10, 2018	Board Meeting – Rate Presentation
October 24, 2018	Board Meeting – Rate Study Report
October 24, 2018	Presentation to Blacklake Residents 3:00PM Blacklake Golf Course Clubhouse
November 14, 2018	Board Meeting – Receive Final Report and initiate Proposition 218 proceedings
November 29, 2018	Date for mailing Proposition 218 notices
January 14, 2019	45 day notice period
January 23, 2019	Board Meeting – Proposition 218 Hearing
February 13, 2019	30-day waiting period
April 1, 2019	If approved, new rates effective



Questions?



TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER 
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: OCTOBER 3, 2018



**AUTHORIZE STAFF TO BID SOUTHLAND WASTEWATER
TREATMENT FACILITY SLUDGE DRYING BED COVER PROJECT
AND APPROVE BUDGET ADJUSTMENT**

ITEM

Authorize staff to advertise Southland Wastewater Treatment Facility Sludge Drying Bed Cover Project and approve Budget Adjustment [RECOMMEND AUTHORIZE STAFF TO BID SLUDGE DRYING BED COVER PROJECT AND APPROVE BUDGET ADJUSTMENT].

BACKGROUND

In March 2018, the San Luis Obispo County Air Pollution Control District ("APCD") issued a Notice of Violation to the District in regards to nuisance odors leaving the boundaries of the Southland Wastewater Treatment Facility (WWTF). The APCD and Nipomo Community Services District ("District") reached a mutual settlement agreement in May 2018 that included installation of at least one cover over a sludge drying bed at the Southland WWTF.

The District has successfully completed the purchase and installation of one sludge drying bed cover at the Southland WWTF at a cost of \$50,000. The covered sludge drying bed has a capacity to store 4 to 5 weeks of sludge on average. Staff must anticipate when to start filling the covered sludge drying bed based on the weather. If the District experiences a "normal" rainy season, the holding capacity of the one covered drying bed will be exceeded, and sludge will need to be diverted to an uncovered drying bed. The investigation into the March 2018 odor complaint suggests that water sitting on top of the sludge for an extended length of time can reactivate odor causing organisms and contribute to plant odor complaints.

During the rain event on October 3, 2018, District staff observed minimal water accumulation in the covered drying bed compared to the uncovered drying beds. Thus, it appears that the new structure will be effective in keeping rainwater out of the drying bed. No determinations or conclusions can be made yet regarding the effectiveness of the structure to reduce odor complaints. However, with only one drying bed covered and with the potential for having a "normal" rainy season, the District anticipates the need for at least one other covered drying bed during the winter season. The third drying bed cover would extend the District's covered holding capacity to a sufficient level to meet an extended winter such as the 2017 winter.

The plans and specifications for the sludge bed covers over two drying beds are being finalized and in accordance with the District's Purchasing Policy, staff needs Board approval to solicit bids for the project.

Regarding compliance with the California Environmental Quality Act (CEQA), the project involves the construction of a small accessory structure and is categorically exempt in

accordance with CEQA Guidelines Section 15303. Staff will file a CEQA Notice of Exemption for the project.

FISCAL IMPACT

A storage building for parts and equipment storage at the Southland WWTF is budgeted at \$150,000 for this fiscal year in the Wastewater Funded Capital Improvement Fund #710. Staff is proposing to use these funds for the sludge bed cover construction, approximately \$100,000 for the two sludge bed covers, and reschedule the storage building for next fiscal year.

It is recommended that the Board authorize a budget adjustment to shift funding from the storage building to the two sludge bed covers. No additional funds beyond the current budgeted funds identified in Fiscal Year 2019 for the storage building will be necessary.

STRATEGIC PLAN

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, approve a resolution authorizing staff to solicit bids for the Southland Wastewater Treatment Plant Sludge Bed Cover Project and approve a budget adjustment to shift funding from the storage building to the two sludge bed covers.

ATTACHMENTS

Attachment A – Resolution 2018-XXXX Authorization to Bid Sludge Bed Cover Project

OCTOBER 10, 2018

ITEM E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2018-XXXX**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING STAFF TO BID SOUTHLAND WASTEWATER TREATMENT FACILITY SLUDGE DRYING BED COVER PROJECT AND APPROVE BUDGET ADJUSTMENT

WHEREAS, the District's upgraded Southland Wastewater Treatment Facility (WWTF) generates biosolids as part of the wastewater treatment process; and

WHEREAS, to facilitate the drying process during wet weather conditions, it is necessary to cover several drying beds; and

WHEREAS, funding for a parts and equipment storage building was approved in the FY 2018-2019 budget in the amount of \$150,000; and

WHEREAS, Staff is proposing to use these funds for the sludge bed cover construction, approximately \$100,000 to cover two sludge beds, and reschedule the storage building for next fiscal year; and

WHEREAS, the plans and specifications for the sludge bed cover project are being finalized and in accordance with the District's Purchasing Policy, staff needs Board approval to solicit bids for the project.

NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE NIPOMO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AS FOLLOWS:

- 1) The above recitals are true and correct.
- 2) The District Board of Directors does hereby approve a budget adjustment transferring \$100,000 from the Storage Building Project to the Sludge Bed Cover Project and deferring the Storage Building Project until the FY 2019-2020 Fiscal Year.
- 3) The District Board of Directors does hereby authorize staff to solicit bids for the Southland WWTF Sludge Drying Bed Cover Project.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 10th day of October 2018.

ED EBY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
General Manager and Secretary to the Board

WHITNEY MCDONALD
District Legal Counsel

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: OCTOBER 3, 2018



**AUTHORIZE STAFF TO BID SUPPLEMENTAL WATER PROJECT
JOSHUA ROAD PUMP STATION PUMP #4 IMPROVEMENTS**

ITEM

Authorize staff to advertise Supplemental Water Project Joshua Road Pump Station Pump #4 Improvements for bid [RECOMMEND AUTHORIZE STAFF TO BID].

BACKGROUND

The Nipomo Supplemental Water Project (Project) delivers water purchased by the District from the City of Santa Maria and allows the District to reduce pumping from existing wells to reduce the potential for seawater intrusion on the Nipomo Mesa. The Project also increases the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin. Construction of the project is phased to manage the high capital cost of the project as well as track with the phased water delivery schedule.

The current Project phasing plan includes the installation of Pump #4 at the Joshua Road Pump Station in FY 2018/2019. The installation of a fourth pump at the Joshua Road Pump Station will allow the District to provide redundancy and operational reliability for supplemental water deliveries up to 1000 AFY.

The plans and specifications for the Pump #4 Improvements are being finalized. In accordance with the District's Purchasing Policy, staff needs Board approval to solicit bids for the project. Staff expects to return to your Board with a recommendation for contract award in December 2018.

The Project Final EIR was certified by the District in April 2009. In May 2009, the Board adopted a resolution making CEQA project findings, adopting a statement of overriding considerations, adopting a project mitigation monitoring plan, approving the Supplemental Water Project and directing staff to file a Notice of Determination with the County in compliance with CEQA. A Supplemental EIR was certified by the District in April 2012.

FISCAL IMPACT

The estimated construction cost is \$300,000. Funding for the project is available in the FY 2018-2019 budget.

STRATEGIC PLAN

Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, authorize staff to solicit bids for the Supplemental Water Project Joshua Road Pump Station Pump #4 Improvements.

ATTACHMENTS

None.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: October 5, 2018

**AGENDA ITEM
 F
 OCTOBER 10, 2018**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is September 9, 2018 through October 6, 2018.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks. The August data is current.

Office Activities

	<u>Sept-18</u>	<u>Jul-Sept 2018</u>
Reports of water waste followed up on	1	4
Leak Adjustments	3	9
Leak Adjustment Amount	\$680	\$2,884

Water Resources

Table 1. Total Production Acre Feet (AF)

	<u>Sept-18</u>	<u>Jul 18 - Sept 18</u>
Groundwater Production	108.3	358.9
Supplemental Water Imported	<u>82.3</u>	<u>252.6</u>
Total Production	<u>190.6</u>	<u>611.5</u>

NCSD imported 82.3 AF of water over the 30 day period in September averaging 621 gallons per minute for a daily total of 894,240 gallons per day. For fiscal year 2018-19 [July-2018 through June-2019] the District must import 800 AF of supplemental water. The District's total production, including groundwater wells and imported water measured at the Joshua Road Pump Station, registered 611.5 AF of water for the current fiscal year.

Table 2. FY 2019 Total Demand To-date Compared to 2013

	<u>Sept-18</u>	<u>Jul - Sept 18</u>
Total Production (AF) for FY 2018-19	190.6	526.5
Total Production (AF) for 2013	<u>264.0</u>	<u>820.8</u>
Reduction	<u>73.4</u>	<u>294.3</u>
Percentage Reduction	27.8%	35.9%

On the previous page, Table 2 compares the District's total water production for the month of September and the fiscal year (July 2018 through June 2019) year-end total against those same periods for 2013 (pre-drought production). 2013 is the year the Department of Water Resources ("DWR") designated as the pre-drought production year. The pre-drought production data is included in the monthly water production report and compared to current usage, all of which is submitted by water purveyors statewide to DWR. For September 2018, the community's water conservation effort reached approximately 28% compared to September 2013. The District's year-end conservation effort for fiscal year 2019 will continue to be monitored despite the Governors removal of mandatory conservation requirements.

NCSD GW Reduction

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSW. Of the 800 AF minimum imported water from the CSM, 266.6 AF will be credited to these two purveyor customers. The credited amount must be added to the District's groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 3 below demonstrates the calculus for determining the District's groundwater pumping reduction.

Table 3. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

	Sept-18	Jul – Sept 18
NCSD GW Well Production	108.3	250.6
Purveyor Customer Credit (33.3% of Import Water)	<u>27.4</u>	<u>56.7</u>
NCSD Total Calculated GW Production	135.7	307.3
Average GW Production for 2009-2013	<u>264.7</u>	<u>575.9</u>
NCSD Percentage of GW Reduction	49%	47%

Taking into consideration the above referenced purveyor customer credit, the District can claim a groundwater pumping reduction of 49% for the month of September compared to the 5-year average from 2009 to 2013 (NMMA-TG assigned comparator). For Fiscal Year 2019, the cumulative groundwater pumping reduction is 47%. At the current Stage IV level of NMMA's Water Shortage Condition and Response Plan, the District has targeted groundwater pumping reduction level of 50% for the year.

Table 4. 2019 Fiscal Year Groundwater Pumping

	Jul-18	Aug-18	Sep-18	Jul-Jun 2019	Target	Over_(Under)
NCSD GW Well Production	127.5	123.1	108.3	1,070.6		AcFt
Purveyor Customer Credit (33.3% of Import Water)	<u>28.3</u>	<u>28.4</u>	<u>27.4</u>	<u>321.3</u>		
NCSD Total Calculated GW Production	155.8	151.6	135.7	1,391.8	1,266.7	125 AcFt
Average GW Production for 2009-2013	291.2	284.7	264.7	2,533.4	<u>2,533.4</u>	
NCSD Percentage of GW Reduction	46%	47%	49%	45%	50%	

Table 4 shows the results of the District's groundwater pumping reduction efforts for Fiscal Year 2019 and compares this value with the targeted groundwater pumping reduction of 50%. Fiscal Year 2018 production data is used to forecast production numbers where actual production numbers for the month are not yet available. Looking at the three available months of actual data for fiscal year 2019 and using fiscal year 2018 as forecast usage, the District can forecast

an “Over_(Under)” value for the fiscal year 2019 of approximately 125 acre feet over the groundwater reduction target. December 2017 and February 2018 were unusually high demand water periods when compared to the average demand of those two months. The District’s consumers reduced water consumption 26% and 23% in December and February respectively and these dry periods had an effect on fiscal year 2018 groundwater reduction, leaving the year 4% short of the groundwater pumping reduction target of 50%. These two months of consumption are factored into the 2019 forecast and help to explain the projected shortfall expressed in Table 4 above.

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
Sept 2018 Total	0	0
July-2018 through Jun-2019 (Seasonal Total)	0	0
Average Annual Year Rainfall	18	16

October 3 rainfall amount .28-inches

Safety Program

Employee Injury – First Aid; Cut Hand

Other Items and News of Interest

- Director’s Request – Backflow and Water Meter On/Off Options
- Waste Connections – Rate Adjustment

Supplemental Water Capacity Accounting

The District is not currently accepting applications for new water service.

Supplemental Water Available for Allocation	500 AFY
Supplemental Water Reserved (Will Serve Letter Issued)	-31.1 AFY
Subtotal Net Supplemental Water Available for Allocation	468.9 AFY
Supplemental Water Assigned (Intent-to-Serve Issued)	-70.6 AFY
Total Remaining Supplemental Water Available for Allocation	398.2 AFY

This information is accurate through September 2018.

Connection Report

Nipomo Community Services District
Water and Sewer Connections

END OF MONTH REPORT

	18-Jan	18-Feb	18-Mar	18-Apr	18-May	18-Jun	18-Jul	18-Aug
Water Connections (Total)	4405	4405	4405	4405	4405	4405	4407	4407
Sewer Connections (Total)	3174	3174	3174	3174	3174	3175	3175	3176
New Water Connections	3	0	0	0	0	0	2	0
New Sewer Connection	3	0	0	0	0	1	0	1
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	473	473	473	473	474	476	477	477

The Connection Report is current through August 2018 – September data presented at the 2nd Board Meeting in October.

Meetings (September 9 through October 6)

Meetings Attended (telephonically or in person):

- Sept 10, Sedaru – Asset Management
- Sept 11, Eng/Admin Meeting
- Sept 12, Rotary
- Sept 12, Regular Board Meeting
- Sept 12, Exec. Team After-Board Meeting
- Sept 13, City of Santa Maria Meeting
- Sept 14, SLO County Planning/Building
- Sept 14, Countywide Water Action Comm.
- Sept 17, Blacklake Rate Consultant
- Sept 17, Personnel Evaluation Meeting
- Sept 18, WSRMP Ad Hoc Comm.
- Sept 18, Board Officer Meeting
- Sept 19, Management Team
- Sept 20, Blacklake Oversight Comm.
- Sept 21, Fac/Wtr Resource Comm.
- Sept 24, NMMA-TG Meeting
- Sept 24, South County Sanitary Services
- Sept 25, MKN – Water Allocation Study
- Sept 25, Eng/Admin Meeting
- Sept 26, Rotary
- Sept 27, NMMA Purveyor Manager's Meeting
- Oct 1, Board Officer Meeting
- Oct 2, Management Team
- Oct 3, Rotary

Meetings Scheduled (October 7 through September 13):

Upcoming Meetings (telephonically or in person):

- Oct 8, Eng/Admin Meeting
- Oct 9, CSDA Quarterly Meeting
- Oct 9, Assessment District Meeting
- Oct 10, Rotary
- Oct 10, Regular Board Meeting
- Oct 10, Exec. Team After-Board Meeting
- Oct 11, Property Assessor – Eureka Well Project
- Oct 12, NCSD Quarterly All-crew Safety Meeting

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: November 2 @ 10:00 AM, NCSD Board Room
- RWMG: November 7th @ 10:00 AM, SLO Library
- WRAC: November 7th @ 1:30 PM, SLO Library
- NMMA Purveyor Meeting: October 25th @ 10:00 AM, NCSD Admin Office
- NCMA/NMMA Managers Meeting: TBD

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

- A. Board Briefing: Water Meter On/Off Options
- B. Board Briefing: Waste Connections Rate Adjustment

OCTOBER 10, 2018

ITEM F

ATTACHMENT A

Date: October 4, 2018

To: NCSB BOARD

From: Mario Iglesias, General Manager

ITEM: Director's Request: Water Meter On/Off Options

Purpose:

Respond to Director's request: Provide customers with an option to have their water meters turned off or on while maintaining active service.

Discussion:

The District has several policies that govern its oversight of water service relating to when an account is considered active and when the account is suspended due to a delinquent bill or failure to test the backflow assembly at the meter. In each of these conditions, active or suspended, customers have a course of action that provides them with options for having the water meter turned off or on. To address the Director's Request, these two conditions may provide sufficient information. If the customer is in good standing and current on paying their utility bill, the water service is available and the account is active. This condition will allow the customer the following:

1. Call for service – Meter Turn-off or Meter Turn-on.
 - a) A customer can request their water meter be turned off or turned on during regular business hours (Monday through Friday, 8:00AM to 4:30PM) and the District will respond at no cost.
 - b) Non-emergency: A customer can request their water meter be turned off or turned on after regular business hours (Saturday/Sunday, Monday through Friday, 4:30PM to 8:00AM) and the District will respond at a cost of \$147 per occurrence. This covers the estimated cost to send a District employee on an after-hours call-out (2-hour minimum).
 - c) Emergency: A customer can request their water meter be turned off or turned on after regular business hours (Saturday/Sunday, Monday through Friday, 4:30PM to 8:00AM) and the District will respond at no cost.

2. Backflow Ordinance – Meter Turn-off or Turned-on
A customer required to have a backflow assembly installed at the water meter with an active account must test their backflow assembly annually.
 - a) Active Account (Business Hours): Failure to test the backflow assembly
The water meter will be turned off until the customer makes arrangements with a backflow assembly tester to test the assembly. The Tester will make an appointment with the District and so long as the appointment is during normal business hours (Monday through Friday, 8:00AM to 4:30PM), there will not be a charge assessed on the customer's utility account.

Manager's Report – Board Briefing
October 10, 2018

- b) **Active Account (After-hours): Failure to test the backflow assembly**
The water meter will be turned off until the customer makes arrangements with a tester to test the assembly. The tester will make an appointment with the District and the appointment is after regular business hours (Saturday/Sunday, Monday through Friday, 4:30PM to 8:00AM), there is a cost assessed on the customer's utility account of \$147 for each call-out.
- c) **Delinquent Account: Failure to test the backflow assembly**
The water meter will be turned off and locked. After the prescribed time, the water meter will be removed (District Code 3.03.06 subsection C). The customer must reinstate the account by paying all delinquent fees and charges and the customer must make arrangements with a backflow assembly tester to test the assembly. Following the customer's compliance with these requirements, the subsequent work needed to reinstall the water meter and meet with the backflow assembly tester must be scheduled to be completed during normal business hours (Monday through Friday, 8:00AM to 4:30PM).

Next Steps:

Staff believes the current District Ordinances provide sufficient options to meet customer needs. If additional discussion is needed, a director can request staff to prepare a Board Letter addressing the matter further so additional Board discussion can occur at the following Board Meeting.

OCTOBER 10, 2018

ITEM F

ATTACHMENT B

Manager's Report – Board Briefing
October 10, 2018

Date: October 1, 2018

To: NCSB BOARD

From: Mario Iglesias, General Manager

ITEM: **WASTE CONNECTIONS RATE ADJUSTMENT**

Purpose:

Brief the NCSB Board of the request from Waste Connections to increase garbage collection rates in Nipomo's service area.

Discussion:

Staff met with Waste Connections (Garbage Company) representatives Jeff Smith, District Manager, and John Ryan, Facilities Manager on September 24, 2018 at the District's Office. They informed District staff that the Garbage Company is looking to adjust rates starting in January 2019 by 13.3%.

Mr. Smith provide an explanation of the proposal and a worksheet demonstrating the areas driving the rate increase. In most years, the Garbage Company adjusts rates to match inflation so a Prop. 218 process is not necessary. The inflationary index identified in the franchise agreement is "Urban Wage Earners and Clerical Workers U.S. City Average". This is a national constructed index and doesn't match up well with the inflationary rate here on the Central Coast. Because of this discrepancy, the Garbage Company must periodically raise rates beyond the CPI and that triggers a Prop. 218 process. The 13.3% requested rate increase clearly must engage the District with the Garbage Company in a Prop. 218 protest vote.

The representatives from the Garbage Company were open to discussing alternative rate schedules.

Next Steps:

Staff will work with the Garbage Company team to prepare a Board Letter and present options and recommendations to the Board at the November 14th Board Meeting.

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: OCTOBER 5, 2018



COMMITTEE REPORTS

ITEM

Review and discuss Committee reports.

BACKGROUND

The following committee meetings were held for which oral reports are being provided:

- Facilities and Water Resources Committee Meeting
- Ad Hoc Committee – Water Shortage Response and Management Review
- Ad Hoc Committee – Blacklake Rate Study

RECOMMENDATION

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