




May 25, 2018

**TO:** LOCSD Board of Directors  
**FROM:** Ann Kudart, Administrative Services Manager   
**SUBJECT:** **Agenda Item 11B – 6/7/2018 Board Meeting**  
Approve Prior Meeting Minutes

**President**  
Vicki L. Milledge

**Vice President**  
Marshall E. Ochylski

**Directors**  
Charles L. Cesena  
Louis G. Tornatzky  
Christine M. Womack

**General Manager**  
Renee Osborne

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
Greg Alex

**DESCRIPTION**

Attached are the minutes of your Board's meeting held May 3, 2018 for your approval.

**STAFF RECOMMENDATION**

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board approve the minutes of the May 3, 2018.***

Attachment

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**Los Osos Community Services District  
DRAFT Minutes of the Regular Meeting of May 3, 2018**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</b></p>	<p>President Milledge called the meeting to order at 6:00 p.m., led the flag salute and asked for a silent observance.</p> <p>Roll Call:            Charles Cesena, Director – Present            Louis Tornatzky, Director – Present            Christine Womack, Director – Present            Marshall Ochylski, Vice President – Present            Vicki Milledge, President – Present</p> <p>The following Staff were present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            Ann Kudart, Administrative Services Manager</p>
<p><b>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</b></p>	<p>Legal Counsel Hanley announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u>            Conference with Real Property Negotiator            Property: APN 074-412-010, 2030, Andre Avenue, Los Osos, CA            Agency Negotiator: Roy Hanley, District Counsel            Negotiating Parties: Anastasi Development Company LLC            Instruction to Negotiator: Potential Water Well Easement, Price and Terms</p> <p>B. <u>CONFERENCE WITH LABOR NEGOTIATORS [Government Code 54957.6]</u>            Agency designated representatives: General Manager Osborne and Legal Counsel Hanley            Employee designated representative: San Luis Obispo County Employees' Association</p> <p>President Milledge continued Item 2A and Vice President Ochylski reported that there would be outreach programs in the neighborhoods surrounding the proposed well site area.</p> <p>Legal Counsel Hanley reported that as the item would not be discussed in closed session, public comment does not have to be allowed and that the Board is entitled to discuss price and terms of a potential easement but not entitled to enter into an actual contract or take final determinative action.</p>
<p><b>3. PUBLIC COMMENT</b></p>	<p>Public Comment – Rick Johnson, Carolyn Neal, Susan Choy, Susan Clifford, Judy Van Fleet, Ed Van Fleet, Scott Kelting, Bob Ward, and Bob Whitworth addressed the Board voicing their comments, concerns, and opposition regarding the proposed well site.</p>
<p><b>4. ADJOURN TO CLOSED SESSION</b></p>	<p>The Board adjourned to Closed Session at 6:30 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:02 p.m.</p> <p>Roll Call:            Charles Cesena, Director – Present            Louis Tornatzky, Director – Present            Christine Womack, Director – Present            Marshall Ochylski, Vice President – Present            Vicki Milledge, President – Present</p> <p>The following Staff were present:            Renee Osborne, General Manager            Roy Hanley, District Counsel            Greg Alex, Battalion Chief            Jose Acosta, Utility Systems Manager            Ann Kudart, Administrative Services Manager</p>
<p><b>6. REPORT OUT OF CLOSED SESSION MEETING</b></p>	<p>Legal Counsel Hanley announced that the Board did not meet on Item 2A and there was no reportable action regarding Item 2B.</p>
<p><b>7. ADMINISTER FIREFIGHTER'S OATH TO NEW STATION 15-SOUTH BAY RESERVE FIREFIGHTERS</b></p>	<p>Battalion Chief Alex introduced Reserve Firefighters James Allen, Joseph DeAnda, Casey DeLeuw, Paul Kane, Hayden Mislavsky, Christopher Podesta, Miguel Reyes, and Juan Ruiz; President Milledge administered the Firefighter's Oath and the Reserves were pinned by family and coworkers. The Board, staff, and public congratulated the Reserves and thanked all the firefighters present for their service to the community of Los Osos.</p>

AGENDA ITEM	DISCUSSION
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Before calling for Public Comment, Vice President Ochylski announced that Closed Session Item 2A regarding the proposed well site would be brought back at the Board's July 5, 2018 meeting.</p> <p>Vita Miller commented on the lack of transparency by the District.</p> <p>Julie Tacker supported Ms. Miller's comments regarding the District's lack of transparency; her unsatisfactory experience with her recent Public Records Request; and, opposed the use of the Palisades Well.</p> <p>Linde Owen believes the District is trying to deplete the basin of water and that pumping from Palisades is reckless; opposed the cancellation of ESAC; and, that LOCAC agendas are not on the website.</p> <p>Lynette Tornatzky disagreed with the previous speaker as LOCAC agendas are posted to their website.</p> <p>Richard Margetson commented that Medic Rescue 15 would not be here if it was not for the committee structure 15 years ago.</p> <p>Andrea Lueker requested that the Board agendize a discussion regarding the placement of the Morro Bay Sewer and its potential impact to the residents of Los Osos.</p>
<p><b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b></p> <p><b>A. Fire Department Report</b></p> <p><b>B. Sheriff Department Report</b></p> <p><b>C. Utilities Department Report</b></p> <p><b>D. General Manager Report</b></p> <p><b>E. Los Osos Community Advisory Council (LOCAC)</b></p> <p><b>F. Los Osos/Baywood Park Chamber of Commerce Report</b></p> <p><b>G. Los Osos Fire Safe Focus Group Report</b></p> <p><b>H. Parks and Recreation Advisory Committee Report</b></p> <p><b>I. Utilities Advisory Committee Report</b></p>	<p>Battalion Chief Alex provided a summary of the Fire Department activities as submitted in the agenda packet, reporting that Station 15-South Bay responded to 102 calls and on Administration, special programs and projects, and training throughout April 2018.</p> <p>Commander Voge provided the Sheriff Department's report and detailing the activities in Los Osos for the month of April with 204 calls for service.</p> <p>Utility Systems Manager Jose Acosta provided a summary of the March 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 52.8 gallons per person per day. He reported on production and runtime hours by well site, water billing information, Utilities Department operations and maintenance, water distribution and treatment, and rainfall totals.</p> <p>General Manager Osborne provided a summary of the GM's activities for April 2018 as submitted in the agenda packet. She reported on the Los Osos Low Income Assistant Fund, water conservation campaign, accounting and budgeting activities, and a meeting with the County regarding the proposed Dog Park.</p> <p>Lynette Tornatzky provided an update of the April 26<sup>th</sup> LOCAC meeting reporting on Code Enforcement; that the Council heard reports from Supervisor Gibson; the upcoming LOCAC elections; discussion regarding outreach; and, the next meeting will be held May 24<sup>th</sup>.</p> <p>Steve Vinson reported on the Chamber's new Business Directory, provided copies for the public, and announced that the Barefoot Concerts will kick-off this Saturday at Sea Pines Golf Course</p> <p>Tom Wright provided an update of the Focus Group's April meeting and community chipping event for the community; a presentation by Bob Stafford, CA Fish and Wildlife, regarding a fuel reduction project in the area between Bayview Heights and Broderson; and, next Los Osos Focus Group meeting will be held May 16<sup>th</sup>.</p> <p>Director Tornatzky reported on his attendance, along with President Milledge and General Manager Osborne, at a recent meeting with the County regarding the Dog Park.</p> <p>Committee Chairperson Cesena reported on the April 18<sup>th</sup> UAC meeting in which the Committee discussed the possibility of moving up projects on the CPI list; production versus consumption; discussed AG reuse contracts and will review at their next meeting a draft letter objecting to the contracts and ask the County to amend the Coastal Permit to do away with the 10% requirement to agricultural reuse programs as the intent was to replace potable water use with reclaimed water not a dryland farming situation. The next UAC meeting will be held May 16<sup>th</sup>.</p>

AGENDA ITEM	DISCUSSION
<p><b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b></p> <p><b>J. Finance Advisory Committee Report</b></p> <p><b>K. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b></p> <p><b>L. Response of Previously Asked Question</b></p>	<p>Committee Chairperson Ochylski reported on the April 30<sup>th</sup> FAC meeting in which the Committee heard a presentation on the Brown Act, recommended approval of the warrant register and the financial reports; reviewed Rate Stabilization Reserve Fund and that FAC and UAC recommend that the Board transfer funds to Water Contingency Reserve; reviewed and recommend that the money market fund be established for Fire reserves; discussed the balance of the Low Income Community Fund and do an additional outreach; and that there will be a special meeting to review the draft budget.</p> <p>Vice President Ochylski reported that Ed Eby was elected as the Special District Alternate on LAFCO.</p> <p>None.</p>
<p><b>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</b></p>	<p>President Milledge pulled Consent Item 11F for separate consideration at the request of Director Cesena.</p> <p>Public Comment – Julie Tacker commented on the agricultural use contracts intent as no more than 10%; and, asked that the Palisades Well be shut off.</p> <p>Richard Margetson commented that the agricultural use contracts states no less than 10%; increased consumption and revenue; and, vandalism following the People Helping People's Rummage Sale.</p> <p>Linde Owen announced an event regarding homelessness issues in the area at Trinity Methodist Church on May 4<sup>th</sup> from 4pm-6pm.</p> <p>Vita Miller thanked the Board for their letter in opposition of off-shore oil drilling; and, commented on the May 4<sup>th</sup> homelessness forum sponsored by the El Morro Democratic Club and the Los Osos Grassroots Club.</p>
<p><b>11. CONSENT AGENDA</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Meeting Minutes of April 5, 2018</b></p> <p><b>C. Approve Warrant Register for April 2018</b></p> <p><b>D. Receive Financial Reports for the Period Ending March 31, 2018</b></p> <p><b>E. Adopt on Second Reading by Title Only of an Ordinance Amending and Restating Title 2 of the District Code</b></p> <p><b>F. Adopt Resolution Establishing a Money Market Account at Pacific Premier Bank for the District Fire Accounts</b></p> <p><b>G. Adopt Resolution Deleting Director Storm and Adding Director Womack as a Signer on all District Bank Accounts</b></p> <p><b>H. Authorize the Transfer of Water Rate Stabilization Reserve Funds</b></p> <p><b>I. Adopt Resolution in Support of the Los Osos Valley Groundwater Basin Boundary Modification Request</b></p>	<p><b>A motion was made by Vice President Ochylski that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda with the exception of Items 11F The motion was seconded by Director Cesena and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Cesena, Tornatzky, Womack, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>

AGENDA ITEM	DISCUSSION
<p><b>12. GENERAL ACTION ITEMS</b></p> <p><b>A. Discussion Regarding the Continuation of Emergency Services Advisory Committee (ESAC) Meetings</b></p>	<p>Director Cesena reported that the Ad Hoc Committee met with the Fire Department, discussed the history of the committee, that Cal Fire was brought to Los Osos due to the ESAC, and that he feels the committee has value and he supported the continuation of ESAC meetings.</p> <p>Battalion Chief Spinharney reported that the premise leading to Fire's request not to attend ESAC meetings was that Cal Fire had established an effective working relationship with General Manager Osborne which, for Cal Fire, is the most direct, efficient, and cost effective way to received direction from the Board.</p> <p>Public Comment – Tom Wright, Vita Miller, Linde Owen, Julie Tacker, and Richard Margetson strongly opposed discontinuing ESAC meetings.</p> <p><b>Following further Board discussion, Director Cesena made a motion to re-establish the Emergency Services Advisory Committee with monthly meetings at the discretion of the Chairperson and to come back at the next meeting with a work program in conjunction with the Ad Hoc Committee of President Milledge and Vice President Ochylski, and Cal Fire. The motion was seconded by Vice President Ochylski and carried with the following vote:</b></p> <p><b>Ayes: Directors Cesena, Ochylski, Womack, Milledge</b>  <b>Nays: Tornatzky</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>B. Discussion Regarding Next State of the Los Osos Low Income Assistance Funds Program</b></p>	<p>Vice President Ochylski requested authorization from the Board to continue with the outreach program; that members of Finance Advisory Committee, and Richard Margetson, volunteered to work on that outreach program; and, that FAC Member Gonzalez will work with the various churches and pastors to gather information. General Manager Osborne reported that at this time 179 property owners have not hooked up to the sewer, 65 have qualified for the CBDG grants and 5 of those have USDA applications pending, leaving 114.</p> <p>Public Comment – Julie Tacker opposed the program, commenting on the need to know administrative costs to run the program and that there must be established guidelines.</p> <p>Linde Owen opposed the program and feels it awards those people who have been delinquent in hooking up and that this is a County problem, not the District's.</p> <p>Richard Margetson commented on the importance of getting the information out to the public.</p> <p>Vice President Ochylski voiced his support for this next step and those who volunteered to work with the churches to provide an informal, person-to-person level to present the necessary information to those who are in need of this program and is asking for an amendment to the FAC Work Program to have the committee work on the next round of grants.</p>
<p><b>13. DISCUSSION OF PULLED CONSENT ITEMS</b></p> <p><b>F. Adopt Resolution Establishing a Money Market Account at Pacific Premier Bank for the District Fire Accounts</b></p>	<p>Director Cesena requested further information regarding the securities and Director Womack reported that municipal bonds are very safe and that most regional banks are required to keep collateral on hand to cover 100% of our type of deposits as we are a public entity.</p> <p>Public Comment – Richard Margetson commented on the need to look at the funds management of a bank and their cost of funds.</p> <p><b>A motion was made by Vice President Ochylski that the Board adopt Resolution 2018-06 establishing an account at Pacific Premier Bank for District Fire Reserves in the amount of \$1,561,305, to be transferred from the District's General Checking account. The motion was seconded by Director Tornatzky and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Tornatzky, Womack, Milledge</b>  <b>Nays: Cesena</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>14. FUTURE AGENDA ITEMS</b></p>	<p>Director Cesena reported that the draft letter concerning the County's sale of reclaimed water to dryland farmers will be on the Board's June agenda.</p> <p>Vice President Ochylski reported that the issue regarding the well will be brought back in July.</p>

AGENDA ITEM	DISCUSSION
<b>15. CLOSING BOARD COMMENTS</b>	Director Cesena announced the CPR Training on Sunday, May 13 <sup>th</sup> at the Community Center and the Neighborhood Chipping Event to be held May 5 <sup>th</sup> – 11 <sup>th</sup> .
<b>16. ADJOURNMENT</b>	The meeting adjourned at 9:40 p.m.

