




June 28, 2018

**TO:** LOCSD Board of Directors  
**FROM:** Ann Kudart, Administrative Services Manager   
**SUBJECT:** **Agenda Item 11B – 7/5/2018 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 the Board of Directors meetings held June 7, 2018 and June 26, 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 June 7, 2018 and June 26, 2018.***

Attachment

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**Los Osos Community Services District  
DRAFT Minutes of the Regular Meeting of June 7, 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 – Arrived at 6:02 p.m.            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><b>3. PUBLIC COMMENT</b></p> <p><b>4. ADJOURN TO CLOSED SESSION</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 074-229-027 (a portion of County property on Palisades Avenue)            Agency Negotiator: Renee Osborne, General Manager and Roy Hanley, District Counsel            Negotiating Parties: San Luis Obispo County            Instruction to Negotiator: Price and Terms of Lease for Potential Dog Park</p> <p>B. <u>CONFERENCE WITH LABOR NEGOTIATORS [Government Code 54957.6]</u>            Agency designated representatives: General Manager Osborne, Legal Counsel Hanley and Utility Systems Manager Jose Acosta.            Employee designated representative: San Luis Obispo County Employees' Association</p> <p>C. <u>PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Government Code 54957 (b)(1)]</u>            Employee Performance Evaluation – District General Manager</p> <p>Public Comment – Lynette Tornatzky supported General Manager Osborne.</p> <p>The Board adjourned to Closed Session at 6:03 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:00 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>President Milledge reminded the public to refrain from outbursts and interruptions and of their duties to support the rights of others' free speech.</p>
<p><b>6. REPORT OUT OF CLOSED SESSION MEETING</b></p>	<p>Legal Counsel Hanley announced that there was no reportable action taken in closed session.</p>
<p><b>7. PRESENTATION AND PUBLIC HEARINGS</b></p>	<p>None</p>
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Scott Kelting commented on the CC&amp;Rs for the homes on Andre and requested the Board to keep in contact with the residents regarding the proposed well site.</p>

AGENDA ITEM	DISCUSSION
<b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b>	
<b>A. Fire Department Report</b>	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 145 calls between April 24 and May 30, including 94 Medical Aids and 6 Traffic Collisions; that 9 incidents were reported as Fire, 4 as Hazardous; and 17 as Public Service Assists; and that Company 15 was called to cover the station or respond to emergencies a total of 7 times. He reported on the success of the two recent chipping events and that weed abatement inspections begin on June 1 <sup>st</sup> .
<b>B. Sheriff Department Report</b>	Commander Voge provided the Sheriff Department's report detailing the activities in Los Osos for the month of May with 242 calls for service including suspicious circumstances, phone scams, vandalism, theft, burglary, disturbing the peace, and notable incidents.
<b>C. Utilities Department Report</b>	Utility Systems Manager Jose Acosta provided a summary of the April 2018 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 59.7 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. Mr. Acosta reported that the 2017 Consumer Confidence Report has been published and mailed to each of the District's water customers.
<b>D. General Manager Report</b>	General Manager Osborne provided a summary of the GM's activities for May 2018 as submitted in the agenda packet. She reported on the Los Osos Low Income Assistant Fund, water conservation campaign, accounting and budgeting activities, staff activities, continuing work on the dog park lease and updating the Community Plan, and, the Standard & Poor's rating has increased from BBB- to BBB+.
<b>E. Los Osos Community Advisory Council (LOCAC)</b>	Chairperson Larry Bender provided an update of the May 22 <sup>nd</sup> LOCAC meeting reporting on the LOCAC elections; discussion regarding an encroachment permit; vacation rental issues; he reported on a recent article regarding water in the Tribune; and, the next meeting will be held June 28 <sup>th</sup> .
<b>F. Los Osos/Baywood Park Chamber of Commerce Report</b>	Steve Vinson reported on the Chamber's collaboration with other local Chambers regarding "Civility of San Luis Obispo County"; that the July Mixer will be held at Spooner Ranch; the Chamber has SLO baseball tickets available; and, upcoming Hospice workshops to be held the first Thursday of the month at South Bay Community Center.
<b>G. Los Osos Fire Safe Focus Group Report</b>	None
<b>H. Utilities Advisory Committee Report</b>	Committee Chairperson Cesena reported on the May 16 <sup>th</sup> UAC meeting in which the Committee reviewed the CIP list; discussed and edited a letter regarding the sale of recycled water for the Board's approval; and, reviewed the Fiscal Year 2018/2019 Utilities budget. He reported that the State recently passed a bill that will affect water purveyors to limit indoor water use to 55 gallons per person per day by 2020 and we are not out of the drought. The next UAC meeting will be held June 20 <sup>th</sup> .
<b>I. Finance Advisory Committee Report</b>	Committee Chairperson Ochylski reported on the June 4 <sup>th</sup> FAC meeting in which the Committee recommended that the Board approval of the warrant register and the financial reports; and he will discuss the Committee's recommendations when those items are heard by the Board later in the meeting. The next FAC meeting will be held July 2 <sup>nd</sup> .  President Milledge appointed Director Womack as Alternate Chairperson of the Finance Advisory Committee.
<b>J. Directors Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b>	None
<b>K. Response of Previously Asked Question</b>	None

AGENDA ITEM	DISCUSSION
<p><b>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</b></p>	<p>Public Comment – Linde Owen asked if audio files were on the schedule of files to be destroyed; asked what the budget for the Low Income Assistance Fund was at this time; and, opposed the cancellation of the Emergency Services Advisory Committee.</p> <p>Richard Margetson commented that water production and consumption is up for the year; and, that the County is responsible for the collection of delinquent property taxes.</p>
<p><b>11. CONSENT AGENDA</b>  <b>A. Receive Administrative and Committee Reports</b>  <b>B. Approve Meeting Minutes of May 3, 2018</b>  <b>C. Approve Warrant Register for May 2018</b>  <b>D. Receive Financial Reports for the Period Ending April 30, 2018</b>  <b>E. Adopt Resolution Requesting Consolidation of Biennial Election with the November 6, 2018 General Election</b>  <b>F. Adopt Resolution Verifying Biennial Review and Re-Adoption of the District's Conflict of interest Code</b>  <b>G. Approve the Implementation of the Consumer Price Index (CPI) Increase to the Fire Special Tax for Fiscal Year 2018/2019</b></p>	<p>A motion was made by Vice President Ochylski that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda. The motion was seconded by Director Cesena and carried with the following vote:</p> <p><b>Ayes: Directors Ochylski, Cesena, Tornatzky, Womack, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>12. GENERAL ACTION ITEMS</b>  <b>A. Hear and Consider Appeal of High Water Bill</b></p>	<p>General Manager Osborne reported that a District water customer is requesting the Board consider her appeal to waive an outstanding balance in the amount of \$1,438.87 due to a leak on the customer's side of the meter.</p> <p>Public Comment – None</p> <p>The Board discussed Ms. Coleman continuing her payments in additional to her regular water bill.</p> <p><b>Vice President Ochylski made a motion to extend the payment plan and allow Ms. Coleman to pay back the outstanding amount with no late fees being assessed; if she refuses to pay the additional amount over the next three payment periods, then a lien will be placed. The motion was seconded by Director Cesena and passed unanimously.</b></p>
<p><b>B. Request from Arnold Builders Regarding Proposed Construction at 1239 11<sup>th</sup> Street</b></p>	<p>Utility Systems Manager Acosta provided a brief summary of the report as submitted with the agenda packet.</p> <p>Public Comment –Linde Owen commented that this is not a District issue and should go to the County.</p> <p>Richard Margetson commented that this is a County issue and the determination should be at the County level.</p> <p>Nick Arnold, the property owner, addressed the Board explained that the house on the property is so small that it is considered an ancillary structure and that he is willing to do whatever it takes to please the Board to move forward with the project.</p> <p><b>Director Cesena made a motion that the Board recommend Mr. Arnold proceed with his permitting process; to direct staff to compile a letter for the San Luis Obispo County Building Department stating that the residence currently has water service, is in good standing. The motion was seconded by Vice President Ochylski and passed unanimously.</b></p>

AGENDA ITEM	DISCUSSION
<p><b>12. GENERAL ACTION ITEMS (continued)</b></p> <p><b>C. Approve 2018 Emergency Services Advisory Committee Work Plan and Meeting Schedule</b></p>	<p>General Manager Osborne provided a brief summary of the report as submitted with the agenda packet.</p> <p>Battalion Chief Alex reported that he was excited to see the committee come together and looked forward to its outreach and its ability to bring emergency services from other agencies and putting the focus back into the public agency forums.</p> <p>Director Cesena commented that the ESAC budget process should go through ESAC; Chief Alex responded that Fire's budget goes through the Finance Committee which allows the opportunity for public comment and in order for ESAC to operate in an efficient manner it needs to focus on emergency services.</p> <p>Public Comment – Richard Margetson disagreed with the Chief and that the budget should be reviewed by ESAC.</p> <p>Linde Owen opposed the budget not being reviewed by ESAC.</p> <p>Lynette Tornatzky commented that she was unhappy that there is opposition to the committee being reinstated.</p> <p><b>A motion was made by Director Cesena that the Board approve the 2018 work plan and proposed committee meeting schedule for the Emergency Services Advisory Committee. The motion was seconded by Vice President Ochylski and passed unanimously.</b></p>
<p><b>D. Review Draft Fiscal Year 2018/2019 Budget and Adopt a Resolution Continuing the Fiscal Year 2017/2018 Budget</b></p>	<p>General Manager Osborne reported that staff received comments from both Utilities and Finance Advisory Committees, staff made those changes to the budget before the Board, that there were no questions regarding 2018/2019 items, and that FAC will have another opportunity to review the budget before it is brought back to the Board for adoption in July. She provided a brief summary of the funds as submitted in the agenda packet and is requesting Board approval to allocate 12.5% of Zone A property tax to be dedicated to the Drainage fund as there are several drainage issues which require attention.</p> <p>The Board discussed the negative \$114,371 stated in the 2016-2017 Audit and requested clarification; General Manager Osborne will discuss with the Auditor and report to FAC and the Board for recommendations.</p> <p>Public Comment – Richard Margetson commented on the Wastewater shortfall, the water sales in the Water revenues, and that the Fire budget should have been reviewed by ESAC.</p> <p><b>A motion was made by Director Womack that for this financial year we leave the 12.5% in Drainage. The motion was seconded by Director Tornatzky and passed 5-0.</b></p> <p><b>A motion was made by Vice President Ochylski to approve the draft 2018/2019 budget; provide direction to staff to post a notice of budget adoption at the Board's July 5, 2018 meeting; and, adopt Resolution 2018-13 continuing the Fiscal Year 2017/2018 Budget until a Fiscal Year 2018/2019 Budget is adopted on or before September 1, 2018, as required by law. The motion was seconded by Director Womack and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Womack, Cesena, Tornatzky, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>E. Approval of Second Phase of the Los Osos Low Income Assistance Fund Program</b></p>	<p>General Manager Osborne reported that updated attachments to the staff report have been distributed to the Board and available copies for the public and reported on the process for the second phase of the Los Osos Low Income Assistance Fund Program as submitted in the agenda packet.</p> <p>Public Comment – Linde Owen commented that many low income individuals do not have to file taxes and therefore will not have tax returns to provide when applying.</p>

AGENDA ITEM	DISCUSSION
<b>E. Approval of Second Phase of the Los Osos Low Income Assistance Fund Program (continued)</b>	A motion was made by Vice President Ochylski that the Board approve the staff's requested program for the Los Osos Low Income Assistance Fund for installation of sewer laterals using the Affordable Housing Standards for low income community residents, for properties not yet connect to the sewer. The motion was seconded by Director Womack and carried 5-0.
<b>F. Appointment of Public Members to the Finance Advisory Committee</b>	<p>Administrative Services Manager Kudart provided a summary of the staff report and reported that three applications were received and that there are two openings. She reported that two applications are in the agenda packet and a third application was received after the agenda was published.</p> <p>Director Womack appointed Alyce Thorp to the Finance Committee and President Milledge appointed Joyce Witt.</p> <p>Public Comment – None</p> <p><b>Director Tornatzky moved that the Board ratify the appointments to the Finance Advisory Committee. The motion was seconded by Director Cesena and carried 5-0.</b></p>
<b>G. Review of Letter Concerning the County's Sale of Reclaimed Water to Dryland Farmers</b>	<p>Director Cesena reported that the County currently has four contracts in place that would sell reclaimed water from the treatment plant to dryland farmers, including the polo field, east of the creek; that the goal was to establish an agricultural exchange program where the reclaimed water would offset irrigation use from potable water wells; under these contracts the mitigation value for saltwater intrusion is zero; that the Broderson leach field can take all the water from the facility as well as the urban reuse at the schools; and therefore, no reason for the contracts.</p> <p>Public Comment – Lynette Tornatzky commented that the conflict between Conditions 5 and 97 should be clarified before sending the letter and recommended not renewing the contracts.</p> <p>Richard Margetson commented on the cost savings to the community in not providing this reclaimed water to the dryland farmers.</p> <p><b>Director Womack moved that the District send the letter. The motion was seconded by Director Cesena and the motion carried 5-0.</b></p>
<b>13. DISCUSSION OF PULLED CONSENT ITEMS</b>	None
<b>14. FUTURE AGENDA ITEMS</b>	Vice President Ochylski reported that the BMC would be having an item at their June 20 <sup>th</sup> meeting regarding the outreach for the Andre well site co-sponsored by the District and BMC.
<b>15. CLOSING BOARD COMMENTS</b>	None
<b>16. ADJOURNMENT</b>	The meeting adjourned at 9:39 p.m.

**Los Osos Community Services District  
Board of Directors  
DRAFT Minutes of the Special Meeting of June 26, 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 5:30 p.m. and led the flag salute.</p> <p>Roll Call:            Charles L. Cesena, Director – Present            Louis G. Tornatzky, Director – Present            Christine M. Womack, Director – Present            Marshall E. Ochylski, Vice President – Present            Vicki L. Milledge, President – Present</p> <p>The following Staff were present:            Renee Osborne, General Manager            David Fleishman, District Legal Counsel            Ann Kudart, Administrative Services Manager</p>
<p><b>2. CONSENT AGENDA</b></p> <p><b>A. Approve Payment to the County of San Luis Obispo to Cover the Shortfall in the Fiscal Year 2017/2018 Fire Protection Services Agreement Payment</b></p> <p><b>B. Adopt a Resolution Approving the Memorandum of Understanding between the Los Osos Community Services District and San Luis Obispo County Employees' Association for the Miscellaneous Employees Bargaining Unit through June 30, 2019</b></p>	<p>Public Comment – None</p> <p>A motion was made by Director Womack that the Board approve the Consent Agenda. The motion was seconded by Director Cesena and carried with the following vote:</p> <p><b>Ayes: Directors Womack, Cesena, Tornatzky, Ochylski, Milledge</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>3. ADJOURNMENT</b></p>	<p>The meeting adjourned at 5:33 p.m.</p>