



April 20, 2015

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 5/7/2015 Board Meeting**
Approve Meeting Minutes of April 2, 2015

President
R. Michael Wright

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Jon-Erik G. Storm
Louis G. Tornatzky

General Manager
Kathy A. Kivley

District Accountant
Michael L. Doyel

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

DESCRIPTION

Attached are minutes from the April 2, 2015 Board of Directors Regular Meeting.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached minutes.

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 Board of Directors meetings of April 2, 2015.

Attachment

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of April 2, 2015**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Wright called the meeting to order at 6:00 p.m. and Director Storm led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Absent Mike Wright, President – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>EXISTING LITIGATION (Government Code, §54956.9(d) (1).)</u> Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated): - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV040126 (San Luis Obispo Superior Court) - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division</p> <p>B. <u>POTENTIAL LITIGATION (Government Code §54956.9(d) (2).)</u> Conference with Legal Counsel Regarding Potential Litigation (1 case)</p>
<p>3. PUBLIC COMMENT ON CLOSED SESSION ITEMS</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>Public Comment – None.</p> <p>The Board adjourned to Closed Session at 6:05 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>President Wright reconvened the meeting to Open Session at 7:00 p.m. and Director Storm led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Present Mike Wright, President – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Mike Doyel, District Accountant Margaret Falkner, Utility Compliance Technician Rob Miller, District Engineer Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz reported that in regards to Item 2A the Board heard reports regarding the Bankruptcy proceedings and the ISJ but took no reportable action in either matter. In regards to Item 2B, the Board heard a report from Legal Counsel but took no reportable action.</p>
<p>7. PRESENTATIONS</p> <p>A. Recycled Water Discharges to Los Osos Creek</p>	<p>District Engineer Rob Miller reported that creek discharge is not part of the County's wastewater project but could be considered as a water supply project. He gave a brief background for creek discharge reporting that stream seepage from Los Osos Creek is a primary source of our basin recharge and discharge would be limited to periods of no stream flow in summer and fall. He discussed potentials for water supply benefits, possible next steps, costs and challenges.</p> <p>Public Comment – Jeff Edwards supported the groundwater recharge project.</p> <p>Keith Wimer provided written comments and recommended reviewing all options.</p>

AGENDA ITEM	DISCUSSION
<p>7. PRESENTATIONS</p> <p>A. Recycled Water Discharges to Los Osos Creek (continued)</p>	<p>Al Barrow supported Mr. Wimer's comments, the drought and that the community should be allowed to use recycled water from the treatment plant on their own properties.</p> <p>Linde Owen commented on Nacimiento water replenishing Paso Robles's aquifer supply.</p> <p>Richard Margetson believed the numbers shown in the presentation were inflated for the potential uses of recycled water.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Frank Freiler commented on the Public Records Act and requested Bayridge Estates septic system repairs information.</p> <p>Peggy Pavek opposed the possible acquisition of property on 10th Street.</p> <p>Al Barrow opposed the issuance of any will serve letters due to the severe statewide drought.</p> <p>Keith Wimer commented on the Basin Plan and climate change impacts.</p> <p>Richard Margetson opposed moving the meetings to Sea Pines and acquiring a new facility for offices as priorities.</p> <p>Valerie Darnell commented on the removal of District property from the Community Center.</p> <p>Linde Owen commented on the District's failures and opposed the cancelling of monthly committee meetings.</p> <p>Jan Harper read a note from the Grisanti's supporting the issuance of will serve letters and voiced her support for the Board and General Manager.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. General Manager's Report</p> <p>D. District Legal Counsel Report</p> <p>E. LOCAC Report</p>	<p>Battalion Chief Veneris discussed his serious concerns with the drought and the impact on vegetation and wildfire risk around the community and provided a pamphlet on defensible space and fire safety steps for the home. He reported on the hiring of firefighters 45 days earlier due to the severe drought we are in. South Bay-Station 15 will continue with the annual Hazard Abatement Program and will hold a Chipping Day. He reported on a webinar focusing on Family Emergency Preparedness and reported on Station 15-South Bay emergency activities, administration, training activities and special programs and projects, and fire prevention during the month of February 2015.</p> <p>Utility Compliance Technician Falkner reported on the February 2015 operations of the Utilities Department, reporting on water production and runtime hours by well sites, billing activities, the drought emergency, water conservation efforts and the County's rebate program, operations and maintenance of the water system, drainage, rainfall levels for the past six years at the operations facility and the continuing monitoring and grounds keeping by the crews in Bayridge Estates and Vista de Oro.</p> <p>General Manager Kivley reported that the District will reach the 25% reduction ordered by the Governor and that letters and table stands announcing that water will only be served upon request have been sent to Los Osos restaurants. Ms. Kivley reported that during the month of March 2015, she attended several ISJ meetings, worked on budget preparations, worked with US Bank on the 2002 Wastewater Bonds, worked on the Water Shortage Contingency Plan, worked on completing the design and engineering plans for the water yard renovations, and reported on the March 15th article in the Tribune in regards to Los Osos Water Users. She thanked South Bay personnel for the hands-on fire extinguisher training they provided District staff.</p> <p>District Legal Counsel Seitz provided an updated written report regarding the reimbursement of prepaid assessments in regards to the Tri-W 218 Election. He reported that the District can take no action in regards to the claims that were paid through the Bankruptcy Court and that the County has taken over the authority of collecting and administering the assessments. He reported that it is the District's policy to deny any claim for reimbursement of prepaid assessments and will continue to defend any such claim.</p> <p>LOCAC Member Jan Harper reported that the Council discussed and approved amendment to the Coastal Plan to adjust the Urban Reserve Line to include the subdivision of Monarch Grove to allow sewer hookup. The Community Plan kickoff meeting was held March 28th, EIR Scoping meeting will be held April 13th; Chapter 2 meeting is scheduled for April 20th, Chapters 3 and 4 meeting scheduled for May 18th; Chapters 5 and 6 scheduled for June 8th. The next LOCAC meeting will be held April 23, 2015.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS (continued)</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p> <p>G. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Trainings, etc.</p>	<p>Chamber of Commerce Director Steve Vinson reported that the Business Expo will be held May 15th; Sexual Harassment training will be held May 5th at 9:00 a.m. to noon at Sea Pines; Celebrate Los Osos is hosting a benefit concert to raise money for future community projects on May 17th, and the next Chamber Mixer will be held April 8th.</p> <p>Director Tornatzky reported on his attendance at the April 1st WRAC meeting and the discussion of rainfall throughout the County; the Paso Robles Water District reorganization is moving forward; the Prop 84 IRWM grant funding moving forward; a presentation on the Sustainable Groundwater Management Act in which Los Osos was identified as one of three high priority basins in the County; Flood Control Water Conservation District budget; the reorganization of County Public Works Department; and a discussion of the Drought Task Force Report.</p> <p>Director Storm announced that the May 4th Finance Advisory Committee meeting will be rescheduled for May 5th and that FAC has an opening for an Alternate Member.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>President Wright disclosed, for the record, ex parte communication with Jeff Edwards regarding Item 11E.</p> <p>Director Cesena disclosed ex parte communication with Jeff Edwards regarding Item 11E.</p> <p>At the request of Director Cesena, President Wright pulled Item 11E for further discussion</p> <p>Public Comment – Jeff Edwards commented on the Palisades Well; disagreed with Tribune article; opposed additional payments to Barnett Cox; requested cost benefit analysis for 10th Street building.</p> <p>Lynette Tornatzky inquired as to the status of the fire hydrants and cap colors; recommended Item 11E be continued; commented on Item 9D and the two small claims rejected by the courts.</p> <p>Linde Owen commented on her requests for costs associated with Barnett Cox; asked for clarification of the hourly rates shown in Item 11E; commented on the replacement of utility vehicles.</p> <p>Richard Margetson commented on Fund 200 being over budget and the increase to IT Services in Fund 301 Fire.</p> <p>Al Barrow commented on serious impacts to the environment caused by drought.</p> <p>Keith Wimer commented on effects of drought on vegetation; seawater intrusion; encouraged Director Tornatzky to find grants.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Minutes of March 5, 2015</p> <p>C. Receive Warrant Register through March 2015</p> <p>D. Receive Current Expenditure Reports through February 28, 2015</p> <p>E. Consideration of Conditional Intent to Serve Letter for 1325 Pasadena Drive, Los Osos F. Authorization to Approve On-Call Brine Hauling and Disposal Contract for South Bay Well Nitrate Removal System</p>	<p>A motion was made by Vice President Ochylski to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar except for Item 11E. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Storm, Wright</p> <p>Nays: Cesena</p> <p>Abstain: None</p> <p>Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>G. Authorization to Award Bids for the Replacement of Two District Utility Vehicles H. Authorization to Issue Requests for Proposals (RFPs) for Design/Build Proposal for Rooftop PV Solar System Installation for CALFIRE/SLO County Station 15-South Bay</p>	
<p>12. GENERAL ACTION ITEMS</p> <p>A. Amendments to Water Shortage Contingency Plan and Declaration of Stage III Emergency</p>	<p>District Engineer Rob Miller reported two changes to the Water Shortage Contingency Plan. The first to allocate per occupant for residential and multifamily, and the second, to remove landscape prohibition from Stages III and IV to provide residential customers flexible use of their allocation. He reported that adoption of the resolution provides clean notice to District Customers and provides a grace period before penalties are assessed for non-compliance.</p> <p>Public Comment – Al Barrow commented on his personal water conservation efforts.</p> <p>Keith Wimer supported the plan, commercial use, exemption forms, emergency rates, and incentives.</p> <p>Linde Owen commented on the landscape prohibition, recycled water, and County conservation funds.</p> <p>Amanda Rice supported the affidavit system and the need to limit outdoor watering.</p> <p>Richard Margetson commented on the need to declare Stage V and disagreed with waiting.</p> <p>District Legal Counsel Seitz recommended that language be added to Number 2 of the resolution to make the allocations section "A" and add: "B. Allocations are not transferable from residential or multifamily."</p> <p>A motion was made by Vice President Ochylski that the Board adopt Resolution 2015-10 as amended amending the District's Water Shortage Contingency Plan and declaring a Stage III Emergency. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Storm, Cesena, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>11E. Consideration of Conditional Intent to Serve Letter for 1325 Pasadena Drive, Los Osos</p>	<p>Vice President Ochylski recused himself and left the dais.</p> <p>District Engineer Rob Miller gave a brief summary of the conditions that the applicant needs to meet as outlined in the staff report.</p> <p>Vice President Ochylski asked if this project involved any water transferred from Pine and Los Osos Valley Road. The applicant's representative, Jeff Edwards, responded that it did. Vice President Ochylski declared a conflict of interest and recused himself and left the dais.</p> <p>Jeff Edwards, representing the applicant Frederick Novy, made a brief presentation reporting that the Regional Board approved 12 single family residential transfers originating at 2150 Pine and Los Osos Valley Road and that this is the first transfer from Golden State Water area into the LOCSO water area; This is an application for replacement dwelling not new development and would not place additional demands on the groundwater basin and that it was a demolition in combination with a retrofit certificate.</p> <p>Public Comment – Al Barrow and Keith Wimer opposed the issuance of an intent to serve letter.</p> <p>Linde Owen supported the issuance of an intent to serve letter.</p> <p>Richard Margetson supported continuing the item.</p> <p>Jan Harper supported the item being continued or denied.</p>

AGENDA ITEM	DISCUSSION
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>11E. Consideration of Conditional Intent to Serve Letter for 1325 Pasadena Drive, Los Osos (continued)</p>	<p>Jeff Edwards clarified that the Water Board determined 18 units equated to 12 single family residents.</p> <p>District Legal Counsel Seitz suggested the Board advance the prohibition from Stage IV to Stage III, to not process will serve applications, and to add conditions to establish the requirement of an engineering report to verify reduction of usage.</p> <p>Director Storm made a motion to continue this item to their next meeting and bring back a modification to add the condition from Stage IV to Stage III in regards to processing will serves. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Storm, Tornatzky, Cesena, Wright Nays: None Abstain: None Absent: Ochylski</p> <p>Vice President Ochylski returned to the dais.</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Director Cesena requested that the District meeting place be added to the next agenda for discussion.</p> <p>President Wright requested the Creek Discharge RFP brought back for discussion.</p> <p>Director Tornatzky reported that he will give an Ad Hoc Committee report at the next Board meeting.</p> <p>Director Storm reported that he will give a Parks and Recreation report at the next Board Meeting.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Vice President Ochylski announced the upcoming extra Clean Up Week to be held April 13-17, 2015.</p> <p>Director Cesena announced openings for ESAC and FAC Alternate Members.</p> <p>President Wright announced the upcoming Community Plan meetings.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 10:00 p.m.</p>