



August 18, 2014

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 9/4/2014 Board Meeting**
Approve Meeting Minutes of August 7, 2014

President
Craig V. Baltimore

Vice President
R. Michael Wright

Directors
Leonard A. Moothart
Marshall E. Ochylski
Jon-Erik G. Storm

General Manager
Kathy A. Kivley

Temporary District Accountant
Michael L. Doyel

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

DESCRIPTION

Attached are minutes from the LOCSD Board of Directors Regular Meeting of August 7, 2014.

SUMMARY OF 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 meetings of August 7, 2014.

Attachment

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of September 7, 2014**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>Vice President Wright called the meeting to order at 6:00 p.m. Director Moothart led the flag salute.</p> <p><u>Roll Call:</u> Leonard Moothart, Director – Present Marshall Ochylski, Director – Absent Jon-Eric Storm, Director – Present Michael Wright, Vice Present – Present Craig Baltimore, President - Absent</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>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO 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>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV040126 (San Luis Obispo Superior Court)</p> <p>B. <u>PERSONNEL MATTERS (Government Code §54957)</u> Conference with Labor Negotiators - District Negotiators: Kathy Kivley, General Manager and Michael Seitz, District Counsel - Employee Organization: SLOCEA</p> <p>Public Comment – None</p> <p>The Board adjourned to Closed Session at 6:02 p.m.</p>
<p>5. RECONVENT TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:00 p.m. and Director Ochylski led the flag salute.</p> <p><u>Roll Call:</u> Leonard Moothart, Director – Present Marshall Ochylski, Director – Present Jon-Eric Storm, Director – Present Michael Wright, Vice Present – Present Craig Baltimore, President - Absent</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Rob Miller, District Engineer Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>District Legal Counsel Seitz reported that the Board discussed the present status of the ISJ and heard a report on the Bankruptcy but took no reportable action on either item. In regards to Personnel Matters, the Board heard a report from the General Manager, gave direction to the negotiators but took no reportable action.</p>
<p>7. PUBLIC HEARING</p> <p>7A. Public Hearing to Adopt Drought Emergency Water Conservation Measures Pursuant to California Water Code Section 375</p>	<p>District Legal Counsel Seitz reported that this Public Hearing is in regards to the State Water Resources Control Board's approved emergency conservation regulation to ensure water agencies reduce outdoor water use. The District's mandatory regulations limits water usage for irrigation purposes for turf and ornamental horticulture to a total of 15 minutes during dark hours on Wednesday and Sunday for even numbered addresses and Tuesday and Saturday for odd numbered addresses. He read the proposed changes to the resolution. He reported that this is a classic unfunded mandate and that the District is doing the minimum required by the State's new conservation regulation. The emergency regulation remains in effect for 270 days unless extended by the State Water Board.</p>

AGENDA ITEM	DISCUSSION
<p>7A. Public Hearing to Adopt Drought Emergency Water Conservation Measures Pursuant to California Water Code Section 375 (continued)</p>	<p>Vice President Wright opened the public hearing for testimony to consider all objections or protests.</p> <p>Lynette Tornatzky asked for clarification of dark hours and if the size of a lot would matter in the 15 minutes of watering allowed.</p> <p>Keith Wimer supports minimizing the use of potable water for outdoor irrigation and that the Los Osos Sustainability Group (LOSG) recommends 57 gallons per person per day indoor and outdoor use or less. He asked the Board to urge the County to spend the five million dollars from the Wastewater Project on maximizing conservation and implement an aggressive outdoor program.</p> <p>Chuck Cesena, candidate for District Board of Directors, commented on the use of timers for watering and the need for community education with a good public information campaign.</p> <p>Linde Owen commented on the need for the State mandate; restrictions on private wells; asked about how enforcement would work; agreed that it is necessary to protect trees; and agreed with community education and the County spending the five million dollars to maximize conservation.</p> <p>Keith Swanson, candidate for District Board of Directors, believes that Los Osos is already doing a good job with water conservation and the importance of a strong outdoor water conservation campaign.</p> <p>Julie Tacker commented on watering at night to reduce water evaporation; commented on the need to reduce irrigation of the middle school field and park turf. She opposed the continued irrigation of Broderson restoration efforts with potable water.</p> <p>Richard Margetson recommended several ideas for community awareness to encourage public compliance.</p> <p>The Board discussed the need for voluntary compliance as this is a critical issue; public awareness; the efficiency of drip irrigation; watering during dark hours to reduce evapotranspiration; the need to clarify parcel size and time allotted to watering; and the necessity of a strong public information campaign.</p> <p>A motion was made by Director Storm to amend Section 2a of Resolution 2014-15 to read “the use of potable water on residential facilities to irrigate grass, lawns, ground cover, shrubbery, crops, and vegetation (not including trees) ...”. The motion was seconded by Director Moothart.</p> <p>Director Ochylski requested the motion be further amended to read: The use of potable water to irrigate lawns or ornamental landscape plantings, including groundcovers and shrubs, shall be limited to a total of 15 minutes during dark hours on Wednesday and Sunday for even numbered addresses; and Tuesday and Saturday for odd numbered addresses. Community recreational facilities shall be excluded from this regulation.</p> <p>Director Storm and Director Moothart agreed with the amended motion and it carried with the following roll call vote:</p> <p>Ayes: Directors Storm, Moothart, Ochylski, Wright Nays: None Abstain: None Absent: Baltimore</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Lou Tornatzky announced his candidacy for District Board of Directors and would like to engage with as many people in the community as possible over the next twelve weeks.</p> <p>Keith Wimer commented on the discussion of the emergency ordinance and the amount of issues with enforcing conservation; the present critical emergency due to seawater intrusion; and xeriscaping. He requested a public meetings to discuss the Basin Plan before it goes to the court, a complete seawater intrusion assessment of the upper and lower aquifer and review the LOSG reports.</p> <p>Linde Owen asked for the elimination of the Broderson restoration project; suggested upper aquifer polluted water be used for extra watering needs; commented on the necessity of the County to meter private wells; supported candidates who support the buyout of Golden State Water Company; and requested an update damages to the District’s water system caused by sewer construction.</p>

AGENDA ITEM	DISCUSSION
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (continued)</p>	<p>Julie Tacker commented on the LOCSD bankruptcy continuing discussions and asked why claims for wastewater assessments were paid when they were to be rejected. She commented on the necessity of recovering cost of repairs to the water system.</p> <p>Chuck Cesena urged the Board to pay attention to Mr. Wimer and the LOSG and their studies of the Water Basin and asked the Board to hold numerous candidates debates before the upcoming election.</p> <p>Richard Margetson commented on the 1.86 rate increase and that the current rate structure is incorrect. He provided a handout of the bimonthly water rates showing his findings.</p> <p>Lynette Tornatzkey commented on the need for the discussion on the lot sizes and that there is a difference in time when watering with a timed irrigation system and watering by hand.</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. LOCAC Report</p> <p>E. Emergency Services Advisory Committee (ESAC) Report</p> <p>F. Utilities Advisory Committee (UAC) Report</p> <p>G. Finance Advisory Committee (FAC) Report</p> <p>H. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences and Seminars</p>	<p>Vice President Wright reported that Battalion Chief Veneris was on assignment at the Oregon wildfire and that the June 2014 Fire Department report as submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner reported on June 2014 operations of the Utilities Department, reporting on water production and consumption, meter reading, and operations and maintenance of the water system; the annual adjustment of the water rates based on the 1.86 CPI increase went into effect July 1, 2014 and reported that she reviewed and recalculated the rates and found no errors; reported on emergency water conservation efforts by staff; the Intergrated Regional Water Management (IRWM) 2014 Plan public draft; Draft Statewide General National Pollutant Discharge Elimination System permit.</p> <p>General Manager Kivley reported that a rate study initial purchase order was issued to Bartle Wells Associates who were selected by the subcommittee and that staff conducted the kickoff meeting on Friday, August 1, 2014. Staff requested that the Board schedule a joint FAC/UAC meeting with the rate consultant on September 10, 2014; that the upcoming UAC agenda will include and item on the proposed outdoor water conservation media campaign by Barnett Cox. The financial audit team was at the District July 29th through August 4th and will return the end of October 2014; the financial presentation in this agenda packet and that Bayridge, Vista de Oro and Drainage funds require reconciliation; reported that staff continues to finalize the 2014/2015 Budget for publication. She reported that an oral report by Legal Counsel will be added to future agendas.</p> <p>There was no LOCAC Report.</p> <p>Vice President Wright reported that the July 19, 2014 ESAC meeting was canceled.</p> <p>Director Moothart reported that at the July 9, 2014 UAC meeting the Committee heard an update on the outdoor water conservation public relations campaign and developed Capital Improvement Projects Priority Recommendations utilizing two methods of priority recommendations with a final draft to be presented to UAC at their August 13, 2014 meeting.</p> <p>Director Ochylski reported that at the August 4, 2014 FAC meeting the Committee reviewed the minutes, warrant register, expenditure reports and the Board item regarding the budget reserve policy for Bayridge Estates. The Committee recommended clarification of amounts that were requested previously and recommended that the Board not accept the Expenditure Reports. They recommended adoption of Board Item 11G and requested the Board come back with future discussions concerning Vista de Oro reserves. The next FAC meeting will be held September 10, 2014 with UAC.</p> <p>Director Ochylski reported on the July meeting of the SLO Chapter of CSDA. The group had a presentation by the Planning Department concerning the emergency water conservation ordinances that are under consideration by the County for adoption and that the ordinance will exclude the Los Osos area. There was a discussion of the retrofit program and how it will be applied to the Los Osos area.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Keith Wimer commented that the IRWM Plan's first priority should be conservation recycled water use; disagrees with using building to drive the conservation program; LOSG supports stronger conservation recycled water use and aggressive conservation targets; and commented on the continued seawater intrusion at the 3rd Street well.</p> <p>Julie Tacker requested an update of the South Bay well Nitrate Removal Project and the need for a contract for brine disposal; commented on the high cost of asbestos concrete pipe removal from Ferrell yard and the snail habitat at that site; and requested Item 11F be pulled for further discussion.</p>

AGENDA ITEM	DISCUSSION
10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR	<p>Richard Margetson commented that the water billing with the recent CPI increase were calculated incorrectly and he provided a copy of a water bill.</p> <p>Keith Swanson commented on the incorrect water billing; requested Item 11F be pulled commenting that FAC recommended the monies come from the Solid Waste fund and that FAC did not approve the Expenditures as they did not have ample time to review them.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of July 3, 2014</p> <p>C. Receive Warrant Register for July 2014</p> <p>D. Receive Current Expenditure Reports</p> <p>E. Readopt Resolutions Levying Assessments and Collection in the SLO County FY14/15 Tax Rolls</p> <p>F. Adopt Resolution Approving an Interfund Loan from Water Fund to Vista de Oro Fund Not to Exceed \$30,000</p> <p>G. Adopt Resolution Establishing a Budget Reserve Policy for Bayridge Estates Subdivision</p> <p>H. Adopt Resolution to Permit the Destruction or Disposal of Certain District Records, Documents and Papers</p>	<p>A motion was made by Director Ochylski to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar. The motion was seconded by Director Moothart and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Moothart, Storm, Wright Nays: None Abstain: None Absent: Baltimore</p>
12. GENERAL ACTION ITEMS	None.
13. DISCUSSION OF PULLED CONSENT ITEMS	None.
14. FUTURE AGENDA ITEMS	<p>Director Storm requested the fire flow ordinance be agendized subject to ESAC findings.</p> <p>Director Ochylski requested water consumption ordinances move on a timely basis.</p>
15. CLOSING BOARD COMMENTS	<p>Director Ochylski announced the upcoming Mission Country Disposal Extra Cleanup Week will be held September 8th-12th and he announced a vacancy for an alternate member on the FAC.</p> <p>Vice President Wright commented on large number of candidates running for the Board in the November election and looks forward to candidate discussions.</p>
16. ADJOURNMENT	The meeting adjourned at 8:51p.m.