



February 18, 2016

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III *agk*
SUBJECT: **Agenda Item 11B – 3/3/2016 Board Meeting**
Approve Meeting Minutes of February 4, 2016 and
February 11, 2016

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

Directors
Charles L. Cesena
Louis G. Tornatzky
R. Michael Wright

Interim General Manager
Peter J. Kampa

District Accountant
Michael L. Doyel

Acting Fire Chief
Steve Reader

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from the February 4, 2016 and the February 11, 2016 Board of Directors meetings.

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 Board of Directors February 4, 2016 and the February 11, 2016 meeting.

Attachments

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of February 4, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 6:00 p.m. and Director Wright led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Margaret Falkner, Temporary General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</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. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: 2 cases Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed</p> <p>B. PERSONNEL MATTERS (Government Code §54957) Public Employee - District Interim General Manager</p> <p>C. REAL PROPERTY MATTERS (Government Code §54956.8) Conference with Real Property Negotiator Property: 2122 9th Street, Los Osos, CA</p>
<p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>Public Comment –Julie Tacker and Lynette Tornatzky commented.</p> <p>The Board adjourned to Closed Session at 6:07 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:00 p.m. and Director Tornatzky led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Margaret Falkner, Temporary General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p>
<p>6 REPORT OUT OF CLOSED SESSION MEETING</p> <p>7. NOT USED</p>	<p>District Legal Counsel Seitz reported that in regards to Item 2A the Board heard a report from Legal Counsel and gave direction but took no reportable action; in regards to Item 2B the Board took no reportable action; and in regards to Item 2C the Board took no reportable action.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Keith Wimer commented on the public's inability to recommend improvements to Basin Management Committee for a year or two. He congratulated the people of Los Osos for cutting water use in half in 10 years. He provided a handout of the December 15, 2015 Final Proposition 1 Storm Water Grant Program Guidelines.</p> <p>Julie Tacker commented on the recent Chromium VI levels, the need to find the source, and her concern for the District's finances and lack of accurate reports.</p>

AGENDA ITEM	DISCUSSION
8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA (continued)	Lynette Tornatzky provided a flyer to the public concerning Sahara Mustard, an invasive species taking over natural plants and should be removed. She also asked that the Board request lighting be turned on in the parking lot of the Community Center.
9. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report B. Utilities Department Report C. District Accountant D. Legal Counsel Report E. Los Osos Community Advisory Council (LOCAC) Report F. Los Osos/Baywood Park Chamber of Commerce Report G. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	<p>President Ochylski reported that Battalion Chief McEwen was unavailable and his report was submitted in the agenda packet.</p> <p>Temporary General Manager Falkner reported that the December 2015 water sample results for Chromium VI levels exceeded the maximum contaminate level at the 3rd Street well, that it is a major concern to the District and that the well was shut off as soon as the lab notified the District, that the District complied with the state drinking water regulations and noticed all customers in the LOCSD water system, and treatment processes is regulated by the State. She provided a report of the activities of the Utilities Department during December 2015 as submitted in the agenda packet.</p> <p>District Accountant Doyel was unavailable. His report was submitted in the agenda packet.</p> <p>Legal Counsel Seitz reported that the next Basin Management Committee will be held on Wednesday, February 17, 2016 at 1:30 p.m. the South Bay Community Center.</p> <p>Jeff Weir, LOCAC Vice Chairperson, reported on the January 28 meeting in which the Council announced SLO Planning Commission's meetings on February 4 and February 5 to receive input concerning the proposed Phillips 66 rail spur project; received a report from the Sheriff's office on activity in Los Osos; received a report from CHP on the issuance of parking violations on LOVR; heard a report from SLO County Planners on the LO Community Plan and the Habitat Conservation Plan; heard a presentation from SLO Council of Government requesting prioritization of local transportation projects. Mr. Weir reported that LOCAC Election Day will be on Saturday, May 21, 2015.</p> <p>Steve Vinson, Chamber of Commerce President, reported on the Chamber's Installation and Awards Dinner held on January 23. He announced the next Chamber Mixer will be held February 10, at Morro Shores MHP Community Room from 5:30 pm. to 7:00 p.m.; the Food Showcase will be held in September and a new Bear Pride Festival will be held in late August.</p> <p>None.</p>
10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR	<p>President Ochylski pulled Consent Item 11H to be heard separately and pulled Consent Item 11G to be continued to a future meeting.</p> <p>Public Comment – Julie Tacker and Keith Wimer spoke.</p>
11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of January 7, 2016 and January 27, 2016 C. Receive Warrant Register for January 2016 D. Receive Statement of Revenue and Expenditure for December 2015 E. Approve Timeline for Adoption of FY16/17 Budget F. Authorize Issuance of RFP for District Audit Services	<p>A motion was made by Director Wright to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar except for Item 11H and 11G. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Wright, Tornatzky, Cesena, Storm, Ochylski Nays: Cesena, Storm on Item 11D Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>11. CONSENT AGENDA (continued) G. Authorize Purchase of Payroll and Accounts Receivable Modules to the MIP/Sage Accounting System H. Consider Adopting of 2016 Bylaws and Rules of Decorum I. Approve 2016 Advisory Committee Meeting Schedule J. Reaffirm the District's Investment Policy</p>	<p>President Ochylski opened the floor for public comment on continuing Consent Item 11G. Seeing none, he closed public comment.</p> <p>A motion was made by Director Wright to continue Consent Agenda Item 11G. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena, Tornatzky, Storm, Ochylski Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS A. Appointment of District Representatives to Outside Agencies by the Board President</p>	<p>President Ochylski appointed Director Cesena as Chairperson and Director Wright as Vice Chairperson of the Emergency Services Advisory Committee.</p> <p>President Ochylski appointed Director Wright as Chairperson and Director Cesena as Vice Chairperson of the Utilities Advisory Committee.</p> <p>President Ochylski appointed himself as Chairperson and Vice President Storm as Vice Chairperson of the Finance Advisory Committee.</p> <p>President Ochylski appointed Vice President Storm as Chairperson and Director Tornatzky as Vice Chairperson of the Parks and Recreation Advisory Committee.</p> <p>President Ochylski appointed Director Cesena as District representative to the Community Action Partnership of San Luis Obispo County (CAPSLO) and Director Tornatzky as alternate.</p> <p>President Ochylski appointed Director Tornatzky as District representative to the Water Resources Advisory Committee (WRAC) and Utilities Compliance Technician Margaret Falkner as alternate.</p> <p>President Ochylski appointed himself as District representative to the Morro Bay National Estuary Program and Director Cesena as alternate.</p> <p>President Ochylski appointed Director Wright as District representative to the Los Osos Fire Safe Council and himself as alternate.</p> <p>President Ochylski appointed himself as the LAFCO delegate for the upcoming annual meeting.</p> <p>President Ochylski appointed Director Tornatzky and Vice President Storm to a Grants Ad Hoc Committee to look at outside grants and to work with the Community Foundation and the County on sewer hookup funds for disadvantaged people in the prohibition zone to be completed in the next couple of months.</p> <p>President Ochylski appointed himself and Vice President Storm to an Interim General Manager Ad Hoc Committee to report back at a special meeting to be held February 10 at the District Office.</p> <p>President Ochylski appointed Vice President Storm and Director Wright to a Contract Employees Ad Hoc Committee. He requested a report at the March 3 Board meeting with a procedure to evaluate all District contract employees.</p> <p>President Ochylski appointed himself and Director Cesena to an Office Lease Ad Hoc Committee to report at the special meeting to be held February 10.</p> <p>Public Comment –Julie Tacker and Keith Wimer spoke.</p>

AGENDA ITEM	DISCUSSION
<p>B. Appointment of Regular and Alternate Public Members for Standing Advisory Committees</p>	<p>Administrative/Accounting Assistant Kudart provided a summary of the item as submitted with the agenda packet and announced the applicants on the 2016 Local Appointment List.</p> <p>Public Comment – Julie Tacker spoke.</p> <p>President Ochylski proposed the appointment</p> <p>A motion was made by Director Cesena that the Board appoint the applicants on the 2016 Local Appointment List to the respective committees with Gene Heyer as the Alternate Member to the Emergency Services Advisory Committee and Linde Owen to the Utilities Advisory Committee. The motion was seconded by President Ochylski and carried with the following vote:</p> <p>Ayes: Directors Cesena, Ochylski, Tornatzky Nays: Wright, Storm Abstain: None Absent: None</p>
<p>C. Authorize the Transfer of General Fund Contingency Monies from SW Fund 650</p>	<p>Legal Counsel Seitz provided a report of the item as submitted with the agenda packet.</p> <p>Public Comment – Julie Tacker spoke.</p> <p>Director Tornatzky requested that the item be continued until District Accountant Doyel was available. The Board continued the item.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS 11H. Consider Adoption of 2016 Board Bylaws and Rules of Decorum</p>	<p>Director Wright requested that Section 11.1(e) be amended to include members of the public who reside within the boundaries of County Service Area No. 9, Zone I are eligible to apply to the Emergency Services Advisory Committee (ESAC) only.</p> <p>President Ochylski opened the floor for public comment on continuing Consent Item 11G. Seeing none, he closed public comment.</p> <p>A motion was made by Director Wright that the Board adopt Resolution 2016-02 adopting the 2016 Los Osos Community Services District Board of Directors Bylaws and Rules of Decorum as amended. The motion was seconded by Vice President Storm and carried with the following vote:</p> <p>Ayes: Directors Wright, Storm, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>President Ochylski reported that response to questions will be on future agendas.</p> <p>Director Cesena referred to Director Wright's January 7, 2016 request for a review of the District's Personnel Policy and a discussion of the District's position on the recycled water contract. He would like to see a response to Mr. Wimer's question concerning the remaining \$2 million in conservation grants that the County received in the Wastewater Project.</p> <p>President Ochylski directed that these items be sent to FAC for review and recommendations.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Cesena is looking forward to shaking off the past and moving forward. He voiced his appreciation in being reappointed to CAPSLO.</p> <p>Director Wright thanked the committee applicants for their willingness to serve and that he is also looking to the District moving forward.</p> <p>Vice President Storm thanked the Parks and Rec applicants for their patience in the long procedural steps in forming the committee. He commented on a social media service Next Door, and Chromium VI.</p> <p>President Ochylski announced the upcoming special meeting and thanked the committee applicants.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 8:20 p.m.</p>

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of February 11, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 5:00 p.m. and asked Director Cesena to lead the flag salute.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Eric Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Margaret Falkner, Temporary General Manager Mike Doyel, District Accountant Michael Seitz, District Legal Counsel</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p>	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PERSONNEL MATTERS (Government Code §54957)</u> Public Employee - District Interim General Manager</p> <p>B. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> Conference with Real Property Negotiator Property: 2122 9th Street, Los Osos, CA</p> <p>C. <u>CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION</u> Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: 1 case Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed</p>
<p>3. PUBLIC COMMENT ON CLOSED SESSION ITEMS</p>	<p>Public Comment – Julie Tacker, Keith Wimer, and Richard Margetson spoke.</p>
<p>4. ADJOURN TO CLOSED SESSION</p>	<p>The Board went into closed session at 5:10 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION AND ANNOUNCEMENT OF CLOSED SESSION ACTION</p>	<p>The Board reconvened to Open Session at 5:35 p.m.</p>
<p>6. REPORT OUT OF CLOSED SESSION MEETING</p>	<p>Legal Counsel Seitz reported out of Closed Session that pertaining to Item A, the Board voted unanimously to retain the services of Kampa Community Solutions out of Sonora, California and gave direction to the Ad Hoc committee to reach an agreement with them through May 31, 2016; pertaining to Item B, the Board heard a report but took no reportable action; and pertaining to Item C, the Board gave instructions to Legal Counsel but took no reportable action.</p>
<p>7. GENERAL ACTION ITEMS</p> <p>A. Discussion Regarding Basin Management Committee Budget</p>	<p>President Ochylski reported that this item was for discussion and that the Board would not be taking action. Vice President Storm asked how much of this money has already been spent. President Ochylski reported that this is for expenses beginning January 1, 2016 and that the District would need to fund administrative costs. He directed staff to determine the allocated amounts that have been spent on "ISJ" line items in the budget and the remaining balance. He announced the topics of discussion for the upcoming Basin Management Committee's February 17th meeting.</p> <p>Public Comment: Keith Wimer, Julie Tacker, and Richard Margetson spoke.</p>
<p>B. Authorize the Transfer of General Fund Contingency Monies from the Solid Waste Fund 650 to Fire Fund 301</p>	<p>Legal Counsel Seitz gave a brief summary of the item as submitted in the agenda packet and reported that he had spoken to the Auditor regarding the backdating of this item and keeping money in this fund.</p> <p>District Accountant Doyel reported that he too spoke with the Auditor and that backdating should have been done at the end of the last fiscal year and that the Auditor's recommendation was to totally wipe it off the books and report in the General fund. He stated that the money they have is \$1,615 more. Allocations are done at the end of the fiscal year. Mr. Doyel reported that the Auditor would report a finding on the audit if the money was left in the account. He requested that the Board make the decision as to where to move this money. He spoke to the issue of the Fire fund being unable to meet Schedule A and also the costs of the Basin Management Committee.</p>

AGENDA ITEM	DISCUSSION
<p>B. Authorize the Transfer of General Fund Contingency Monies from the Solid Waste Fund 650 to Fire Fund 301 (continued)</p>	<p>Director Wright noted that this item would be vetted out by ESAC.</p> <p>Public Comment: Julie Tacker, Lynette Tornatzky, and Richard Margetson spoke.</p> <p>A motion was made by Director Wright that the Board adopt Resolution 2016-03 to transfer the Solid Waste Contingency Funds designated fund 650, to a new fund created in the Fire Fund 301, to direct staff to create such a Fire Mitigation Reserve Fund within 301, and to transfer these funds from Solid Waste Contingency Fund to that Fund. The motion was seconded by Director Tornatzky and carried with the following roll call vote:</p> <p>Ayes: Wright, Tornatzky, Cesena, Storm, Ochylski Nays: None Absent: None Conflicts: None</p>
<p>8. ADJOURNMENT</p>	<p>The meeting adjourned at 6:35 p.m.</p>