

AGENDA ITEM	DISCUSSION
6. REPORT OUT OF CLOSED SESSION MEETING	Legal Counsel Hanley announced that there was no reportable action on Closed Session Items.
7. PRESENTATIONS A. Draft Fiscal Year 2015-2016 Audit B. Local Government Fundamentals Brown Act Review C. Consideration of Will Serve for Baywood Inn, 1370 2 nd Street	<p>Adam Guise of Moss, Levy & Hartzheim provided a summary of the draft Independent Auditors' Report for Fiscal Year 2015/2016 as submitted with the agenda packet. Mr. Guise reported that the District received a clean audit opinion for this period; he reviewed the financial statements, a breakout of the District's expenditures and revenues throughout the year; reported on the District's proportionate share of the CalPERS net pension liability; and reviewed the three findings for 2016 and reported that the five findings from 2015 were corrected and implemented and no longer on the Schedule of Findings.</p> <p>Public Comment – Julie Tacker would have liked committee review and assist with the responses and she commented on the three findings.</p> <p>Legal Counsel Hanley provided a PowerPoint presentation reviewing the Brown Act, California's Open Meeting Law; Public Records; Conflict of Interest; and Local Government Fundamentals. Copies of the presentation slides were submitted with the agenda packet.</p> <p>President Storm called for the Item 12C to be heard at this time. Director Ochylski recused himself and left the dais.</p> <p>District Engineering Miller provided a summary of the item as submitted in the agenda packet reporting that the proposed project will require upgraded water and fire service but overall water use on the property is expected to remain below historical use.</p> <p>Alex Benson, Baywood Inn Property Owner, addressed the Board explaining that the Inn has offset its proposed water use by earlier removing an existing restaurant and within the last two years retrofitted the Inn with low flow toilets, shower heads, and faucets.</p> <p>Public Comment – Julie Tacker commented on the required 2:1 retrofit and the need for an analysis to show that the project will save water.</p> <p>Patrick McGibney commented on continued seawater intrusion and opposed the project.</p> <p>Richard Margetson agreed with Mr. McGibney; commented on the chloride levels; opposed the project.</p> <p>Lynette Tornatzky supported the issuance of a Will Serve for this property.</p> <p>A motion was made by Director Tornatzky that the Board approve the Will Serve for Baywood Inn located at 1370 2nd Street. The motion was seconded by Vice President Milledge and carried with the following vote:</p> <p>Ayes: Directors Tornatzky, Milledge, Storm Nays: Cesena Abstain: None Absent: Ochylski</p> <p>Director Ochylski returned to the dais.</p>
8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Stephen Best announced for formation of a nonprofit group to work with the community in established a dog park.</p> <p>Richard Margetson reported that the December 10th Needs 'N Wishes celebration raised over \$39,400 and that the Salvation Army Bell Ringers of Los Osos raised \$17,472.87. He reported that 10,000-12,000 bags of food at the Wednesday Food Giveaway in 2016 and 150 pieces of medical equipment out in the community.</p>
9. ADMINISTRATIVE AND COMMITTEE REPORTS A. Fire Department Report	Battalion Chief Taylor cautioned the public that with the ground already saturated and more rain on the way to be aware of the dangers of flooding. He provided a summary of the December 2016 Fire Department activities as well as the Annual 2016 Report as submitted in the agenda packet.

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B. Sheriff Department Report	Sergeant JD Cronin, Sheriff's Department, gave a report on Department's activities for the period January 5, 2017 to February 2, 2017. He reported that there were 501 calls for service in Los Osos including traffic stops, pedestrian contacts, alarm calls, disturbing the peace calls, vandalism calls, burglaries, thefts from unlocked cars, a battery, domestic violence, child pornography arrest, possession of meth, and abuse of the 911 system. Sheriff's staff consists of 1 Commander, 2 Sergeants, 19 Deputies, 1 School Resource Officer, 1 Deputy on light duty and 2 off work with injuries, 5 Deputies on training, and 11 Deputy vacancies.
C. Utilities Department Report	Utility Compliance Technician Falkner provided a report on the December 2016 activities of the Utilities Department as submitted in the agenda packet.
D. General Manager Report	General Manager Osborne provided a summary of the GM's activities for January 2017 as submitted in the agenda packet.
E. Legal Counsel Report	None
F. Los Osos Community Advisory Council (LOCAC)	Lynette Tornatzky, LOCAC Secretary, reported on the January 26, 2017 LOCAC meeting in which the Council received reports from the Sheriff's Department, Highway Patrol, County Supervisor Gibson, the Los Osos/Baywood Park Chamber of Commerce, and County Senior Planner Brown. They discussed Land Use Committee minor use permit projects, a request from Tree and Landscape Committee, and recommendations from Traffic and Circulation Committee.
G. Los Osos/Baywood Park Chamber of Commerce Report	Steve Vinson reported that the Chamber held its Annual Installation and Awards Dinner on January 23, 2017; Dr. Christina Grimm was elected as the 2017 Chamber President; reported on the upcoming Business Expo to be held March 17, 2017; and that the February Business of the Month is Jul's Comfy Closet. President Storm requested Richard Margetson provide a brief update on the Water Rate Subcommittee. Mr. Margetson reported that the subcommittee met twice and will meet again on February 14, 2017; that the subcommittee needs the proposed Administrative Allocations that will be in the next budget year, the property tax allocation, additional information on the water contracts, and the current reserves and future funding of reserve line items.
H. Basin Management Committee Report	Director Ochylski reported that the Committee heard an update on the SGMA compliance and that the Water Board did not accept the BMC's request to expand the boundaries of the basin; approved the budget; heard a Community Plan update and discussed performance matrix; and, water conservation program update.
I. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	Director Ochylski reported on the CSDA Annual meeting on January 27, 2017. Director Cesena requested that he serve another year as District Representative to CAPSLO.
J. Response to Previously Asked Questions	
10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA	Julie Tacker commented on the Bylaws; Vista de Oro and Bayridge expenses; Palisades well; Chromium 6 concerns; and Warmerdam expenses. Richard Margetson commented on the Bylaws. Steve Best, Jim Kosvanec, Cindy Tully, Leslie McCance, Larry Bender, Richard Margetson, Terry Travis, Laurie McCombe and Lynette Tornatzky support a dog park. Susan Tuttle voiced her concerns about a dog park next to the church and requested that they be involved during the planning.

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<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of December 1, 2016 C. Approve Warrant Register for Disbursement for January 2017 D. Receive Financial Reports for Period Ending December 31, 2016 E. Adopt Resolution Amending the Board Bylaws and Rules of Decorum for 2017 Including Significant Changes to Section 9 and Section 11 F. Adopt Resolution Authorizing a Debit Card for General Manager Renee Osborne G. Project Update and Approval of Construction Change Order for 8th Street Upper Aquifer Well Drilling H. Approve Construction Bid for Sewer Lateral Construction at Station 15-South Bay I. Adopt Resolution Authorizing Staff to Negotiate Terms of a Lease with SLO County for the Palisades Avenue Property APN 074-229-027 J. Approve 2017 Advisory Committee Work Plans</p>	<p>A motion was made by Director Ochylski to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Cesena, Milledge, Storm Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS A. Appointment of Public Members to the District's Standing Advisory Committees</p>	<p>Ad Hoc Committee Members Storm and Ochylski provided a brief summary of the process in appointing members to the District Advisory Committees.</p> <p>Public Comment – Julie Tacker commented on her continued interest in serving on ESAC.</p> <p>President Storm appointed Mike Wright to ESAC; Cheri Grimm to FAC; Gene Heyer to UAC; and Andrea Lueker to Parks and Recreation.</p> <p>Vice President Milledge appointed Paul Hershfield to ESAC; Christine Womack to FAC; Alissa Feldman to Parks and Recreation; and Jan Harper to UAC.</p> <p>Director Ochylski appointed Thomas Wright to ESAC; Lisa Gonzalez to FAC; Shaunna Sullivan to Parks and Recreation; and Leonard Moothart to UAC.</p> <p>Director Cesena appointed Julie Tacker to ESAC; Jeff Edwards to FAC; William Fitzgerald to Parks and Recreation; and Lee Harry to UAC.</p> <p>Director Tornatzky appointed Jerry Dillingham to ESAC; Michael Burns to FAC; Jennifer Foronijy to Parks and Recreation; and Ron Munds to UAC.</p>
<p>B. Appointment of District Representatives to Outside Agencies by the Board President</p>	<p>Public Comment – Richard Margetson voiced his support of Director Cesena as the Utilities Advisory Committee Chairperson.</p>

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B. Appointment of District Representatives to Outside Agencies by the Board President	<p>President Storm appointed Vice President Milledge as ESAC Chairperson and Director Tornatzky as Alternate Chairperson; Director Ochylski as FAC Chairperson and himself as Alternate Chairperson; Director Cesena as UAC Chairperson and Vice President Milledge as Alternate Chairperson; and Director Tornatzky as Parks & Recreation Chairperson and himself as Alternate Chairperson.</p> <p>He appointed Director Ochylski to Morro Bay National Estuary Program and himself as Alternate; Director Cesena to Water Resources Advisory Committee and General Manager Osborne as Alternate. Director Cesena to CAPSLO; himself to Los Osos Fire Safe Council and Vice President Milledge as Alternate; Director Ochylski to BMC and Director Cesena as Alternate; and Director Tornatzky to LOCAC.</p>
13. DISCUSSION OF PULLED CONSENT ITEMS	None
14. FUTURE AGENDA ITEMS	Director Cesena requested that the Admin and property tax allocations be discussed and decided as quickly as possible. Director Ochylski commented on a joint FAC/UAC for the discussions.
15. CLOSING BOARD COMMENTS	<p>Director Cesena commented on a good productive year ahead, keeping the dialog open.</p> <p>Director Tornatzky commented on a positive year with new faces and participation.</p> <p>Director Ochylski commented on the public participation and positive support for the dog park.</p> <p>Vice President Milledge commented on working towards a dog park.</p> <p>President Storm commented on harnessing the positive energy.</p>
16. ADJOURNMENT	The meeting adjourned at 9:37 p.m.