



**President**

Joe Sparks

**Vice-President**

Marshall Ochylski

**Director**

Chuck Cesena

Maria Kelly

Steve Senet

**General Manager**

**Utilities Manager**

George J. Milanés

**Fire Chief**

Matt Jenkins

April 16, 2009

**TO:** LOCSB Board of Directors  
**FROM:** Karen Vega, Administrative Secretary  
**SUBJECT:** Agenda Item 5B – 04/16/09 Board Meeting  
Approve Prior Board Meeting Minutes

**SUMMARY**

Attached are minutes from the Board meeting of April 2, 2009.

**RECOMMENDATION**

Staff recommends that your Board approve these minutes.

Should the Board wish to amend these minutes, this item should be removed from the Consent Calendar to be considered separately.



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**Los Osos Community Services District  
Board of Directors  
Minutes of the Regular Meeting of April 2, 2009**

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<b>Call to Order/Roll Call</b>	President Sparks called the meeting to order at 6:00 p.m. Roll Call: Director Cesena Present Director Kelly Present Director Senet Present Vice President Ochylski Absent President Sparks Present	
<b>Announcement of Closed Session Items, Public Comments on Closed Session Items, and Convening of Closed Session</b>	President Sparks announced that the Board would convene to closed session for the following:  PENDING LITIGATION (Government Code §54956.9(b)) Conference with District Counsel for Existing Litigation (Formally initiated): In re Los Osos Community Services District (ND-06-10548) United States Bankruptcy Court, Central District of California, Northern Division; Taxpayers Watch et al v. LOCSD et al in SLO Superior Court (CV050862); LOCSD et al v. American Alternative Insurance Corporation, Case No. CV 08-01279 (Federal Court); Dee Thomas Murphy v. US EPA et al (ND-C-08-0487) United States District Court, Northern District of California; RWQCB v. LOCSD - ACL/TSO appeals to SWRCB; LOCSD v. Golden State et al. – Groundwater Adjudication in Superior Court.  INITIATION OF LITIGATION (Government Code §54956.9(c)) Conference with Legal Counsel (No. of cases 1)  During public comment, <u>Don Bearden</u> asked for details on the item under Initiation of Litigation.  The Board convened to closed session at 6:05 p.m. Vice President Ochylski joined the closed session at this point.	
<b>Call to Order/Roll Call</b>	President Sparks called the meeting to order at 7:10 p.m. Roll Call: Director Cesena Present Director Kelly Present Director Senet Present Vice President Ochylski Present President Sparks Present	
<b>Receive Report Out of Closed Session on April 2, 2009</b>	District Counsel Jon Seitz announced the following: The Board had met in closed session and discussed only the Bankruptcy case, the AAIC Insurance case, and the Golden State – ISJ case. The Board heard updates from legal counsel on these matters, but took no reportable action. The Board intended to convene again to closed session after the conclusion of the open session.	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<b>1. Administrative and Committee Reports</b>		
<b>A. Administrative Reports</b>		
<b>1. District/CAL-FIRE Manager Report</b>	Division Chief Rob Lewin was present. Written report was submitted with the agenda packet.	
<b>2. District Utilities Manager Report</b>	Written report was submitted with the agenda packet. George Milanese provided an update on the status of the South Bay upper aquifer well monitoring.	
<b>3. District General Manager Report</b>	Written report was submitted with the agenda packet. In addition, Mitch Cooney encouraged the Directors to attend CSDA Legislative Days in Sacramento on May 5-6, 2009. Staff is compiling information on computer costs in response to recent FAC meeting discussion.	
<b>B. Committee Reports</b>		
<b>1. LOCSD Standing Advisory Committee and Ad Hoc Committee Reports</b>	<p>Vice President Ochylski stated that ESAC minutes are in the Board packet. The committee had discussed requesting that the County do road improvements to impassable, dead end, and unpaved streets as part of the Wastewater Project mitigation. They also discussed fire hydrant maintenance and both short-term and long-term priorities for emergency services in Los Osos. Regarding the Ad Hoc Fence Removal Committee, he has had several discussions with USFWS staff and will set up a site visit with USFWS supervisors, to include Director Cesena and LOCSD staff</p> <p>Director Kelly stated that the 3/11/09 WAC meeting had included discussion of the Blue Ribbon Drainage Task Force and Water Reserves. On 3/14/09 the WAC went on a field trip to review drainage areas. Director Kelly commented on the scope of the efforts made by Ad Hoc Strategic Planning Committee to design the best method for the Board to do a strategic planning meeting. The Board discussed and consensus was that this was an important issue and to continue to plan for this to happen within the next few months. President Sparks stated that minutes of FAC meetings from 3/16/09 and 3/3/09 were submitted at the meeting. The next meeting is scheduled for 4/21/09.</p>	
<b>2. Director Reports on Attendance at Other Agency Committee Meetings</b>	Director Kelly attended 4/1/09 WRAC meeting. A special WRAC meeting is scheduled for Saturday, 4/4/09 to discuss the Los Osos Wastewater Project. The meeting will be televised on Channel 21. President Sparks attended the 3/26/09 LOCAC meeting. Director Kelly volunteered to attend the 4/23 LOCAC meeting.	

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<p><b>4. Consent Calendar</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Prior Meeting Minutes</b> <b>1. March 19, 2009</b></p> <p><b>C. Receive Warrant Register for March 13, 2009 – March 26, 2009</b></p> <p><b>D. Receive Financial Statements for Period Ending February 28, 2009</b></p>	<p>During public comment, <u>Leon Goldin</u> asked that the Board allow separate public comments for reports and consent items. He also asked that Directors speak directly into the microphone so they can be heard clearly. <u>George Taylor</u> reminded the community of the DEIR public comments deadline, and asked that this information be posted at the District office. <u>Martha Goldin</u> stated that the DEIR is not posted on the County website. <u>Frank Ausilio</u> stated that many other County areas are dealing with water quality problems and shortages. <u>Gewynn Taylor</u> stated that past LOCSD Strategic Planning documents should be made available to the Board. She expressed concern regarding the affect of seawater intrusion on our groundwater basin. <u>Don Bearden</u> stated provided the website link at the County's Wastewater Project site where the DEIR is posted. <u>David Duggan</u> commented on the Coastal Commission's comment letter on the DEIR. <u>Alon Perlman</u> urged the new Board to use the strategic planning process as a way to get together to work as a team. Topics such as current wastewater and water issues are relevant to strategic planning and a vision statement. He urged the County to address the many comments from other agencies related to the DEIR, including sweater intrusion and tertiary treatment. <u>Lawson Shaller</u> expressed concern about future advancement of seawater intrusion. <u>Richard Margetson</u> asked when the Board would djscuss the emergency services report on dead end streets. <u>Sheriff's Dept. Representative Brian Betham</u> stated that Commander Hall had encouraged him to attend local community meetings.</p> <p><b>A motion was introduced by Director Kelly to approve Agenda Items 4A, 4B, 4C, and 4D. The motion was seconded by Director Cesena.</b></p> <p><b>Roll Call Vote:</b></p> <table data-bbox="605 1367 1352 1522"> <tr> <td><b>Director Kelly</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Director Cesena</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Director Senet</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Vice President Ochylski</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>President Sparks</b></td> <td><b>Yes</b></td> </tr> </table> <p><b>The motion was approved with five (5) affirmative votes.</b></p>	<b>Director Kelly</b>	<b>Yes</b>	<b>Director Cesena</b>	<b>Yes</b>	<b>Director Senet</b>	<b>Yes</b>	<b>Vice President Ochylski</b>	<b>Yes</b>	<b>President Sparks</b>	<b>Yes</b>	
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<b>President Sparks</b>	<b>Yes</b>											
<p><b>5. General Action Items</b></p>												
<p><b>A. Budget Procedure and Recommendations</b></p>	<p>During public comment, <u>Richard Margetson</u> urged the Board to wait until they have met with SLOCEA before discussing personnel-related budget recommendations. <u>SLOCEA General Manager Kimberly Daniels</u> stated she had sent written notice to the Interim General Manager and each Director stating that they were legally obligated to meet and confer with SLOCEA prior to public discussion of budget issues that affect the wages and/or working conditions of SLOCEA-represented employees. <u>David Duggan</u> spoke in agreement with SLOCEA.</p>											

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<p><b>A. Budget Procedure and Recommendations</b></p>	<p>A motion was introduced by President Sparks to continue this agenda item until such time as the Interim General Manager has met with SLOCEA to discuss budget recommendations that would affect the wages and working conditions of employees. The motion was seconded by Vice President Ochylski.</p> <p>Roll Call Vote:</p> <p>President Sparks <span style="float: right;">Yes</span>  Vice President Ochylski <span style="float: right;">Yes</span>  Director Cesena <span style="float: right;">Yes</span>  Director Kelly <span style="float: right;">Yes</span>  Director Senet <span style="float: right;">Yes</span></p>	
<p><b>B. Staff Report on Cabrillo 218 Vote from District Engineer Rob Miller and Legal Discussion by District Counsel Jon Seitz</b></p>	<p>Jon Seitz commented briefly on his written staff report regarding the ability of the District to turn off streetlights in the event the assessment election is not successful. Rob Miller then provided information on the preliminary engineer's report and the hearing notice and ballot mailing process and schedule.</p> <p>During public comment, <u>Leon Goldin</u> stated that Cabrillo property owners pay more in property taxes than are returned to the area in services. <u>Martha Goldin</u> asked for clarification of Jon Seitz's legal opinion, and asked questions regarding the allocation of property taxes from Cabrillo to the District. <u>David Duggan</u> spoke in support for adopting the resolution. <u>Richard Margetson</u> stated that the budget used to prepare the engineer's report was inaccurate. He also recommended adding some personnel costs to the Cabrillo budget. <u>Alon Perlman</u> recommended using an energy index, rather than the CPI index in computing the annual increase.</p> <p>A motion was introduced by Vice President Ochylski to approve the preliminary engineer's report with the proviso to direct staff to calculate the administrative charge for Cabrillo and include it in the final engineer's report for the Board to approve by resolution at the 4/16/09 meeting; to direct staff to look into proposed PG&amp;E rate increases. The motion was seconded by Director Kelly.</p> <p>Roll Call Vote:</p> <p>Vice President Ochylski <span style="float: right;">Yes</span>  Director Kelly <span style="float: right;">Yes</span>  Director Cesena <span style="float: right;">Yes</span>  Director Senet <span style="float: right;">Yes</span>  President Sparks <span style="float: right;">Yes</span></p> <p>The motion was approved with five (5) affirmative votes.</p>	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<p><b>C. Staff Report and Discussion to Develop Policy to Allocate Tax Proceeds Flowing into the District</b></p>	<p>During public comment, <u>Leon Goldin</u> expressed concern that the Vista de Oro and Bayridge Assessment Districts are not sufficiently funded. <u>Richard Margetson</u> expressed concerns as to the source of the property tax revenues identified for the Water Fund.</p> <p><b>A motion was introduced by Director Kelly to approve the tax allocation as presented at the Board meeting and to direct staff to utilize this means of identifying and applying tax dollars received by the District for all future Budget preparations. The motion was seconded by President Sparks.</b></p> <p><b>Roll Call Vote:</b></p> <p><b>Director Kelly</b> Yes  <b>President Sparks</b> Yes  <b>Director Cesena</b> No  <b>Director Senet</b> Yes  <b>Vice President Ochylski</b> Yes</p> <p><b>The motion was approved with four (4) affirmative votes.</b></p>	
<p><b>6. General Public Comment</b></p>	<p><b>A motion was introduced by Director Kelly to continue the meeting past 10:00 p.m. The motion was seconded by Director Cesena.</b></p> <p><b>Director Kelly</b> Yes  <b>Director Cesena</b> Yes  <b>Director Senet</b> Yes  <b>Vice President Ochylski</b> Yes  <b>President Sparks</b> Yes</p> <p><b>The motion was approved with five (5) affirmative votes.</b></p> <p><u>Leon Goldin</u> urged the Board not to hold General Public Comment at the end of the meetings, when everyone has gone home due to the late hour, and that in his opinion this does not meet the spirit of the Brown Act. <u>Martha Goldin</u> spoke in agreement with Leon Goldin. <u>David Duggan</u> commented on the affect of the Coastal Commission DEIR comment letter on the future of the Los Osos Wastewater Project, stating that the County is in too much of a hurry and will need to address the Coastal Commission's concerns. <u>Rachel Rosenthal</u> thanked the Board for trying to eliminate the fence at the Mid-Town site and for educating themselves and the public on community drainage issues. <u>Alon Perlman</u> agreed with David Duggan and stated that the DEIR has major problems. <u>Richard Margetson</u> spoke in opposition to having general public comment at the end of the meetings, stating that both Directors Kelly and Ochylski had campaigned on the promise of greater public input and Board transparency. <u>Jan Harper</u> reminded the community to attend the WRAC meeting on Saturday, 4/4/09 at 8:30 in the Board of Supervisors chambers. She also reminded the community that the public can comment to the Board in writing and by e-mail.</p>	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP										
<p><b>Closing Board Comments</b></p>	<p>Director Kelly stated she is open to moving the time for general public comment, but she likes having more public comment on the agenda items. Director Cesena spoke in favor of general public comment at the beginning of the meeting. Director Senet wants public comment after every presentation. Vice President Ochylski reminded the community that Mission Country Disposal's clean-up week ends on Friday, 4/3. He also announced that ESAC will hold a special meeting the following week. President Sparks stated that the placement of General Public comment on a meeting agenda is "agenda dependent". He also announced the annual AAUW Garden Tour fundraiser on 4/26/09.</p>											
<p><b>Adjournment</b></p>	<p><b>A motion was introduced by President Sparks to adjourn the open meeting and convene to closed session. The motion was seconded by Director Cesena.</b></p> <p><b>Roll Call Vote:</b></p> <table data-bbox="613 814 1338 968"> <tr> <td><b>President Sparks</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Director Cesena</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Director Kelly</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Director Senet</b></td> <td><b>Yes</b></td> </tr> <tr> <td><b>Vice President Ochylski</b></td> <td><b>Yes</b></td> </tr> </table> <p><b>The motion was approved with five (5) affirmative votes.</b></p> <p>The meeting adjourned to closed session at 10:20 p.m.</p>	<b>President Sparks</b>	<b>Yes</b>	<b>Director Cesena</b>	<b>Yes</b>	<b>Director Kelly</b>	<b>Yes</b>	<b>Director Senet</b>	<b>Yes</b>	<b>Vice President Ochylski</b>	<b>Yes</b>	
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