



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

June 18, 2009

TO: LOCSD Board of Directors
FROM: Karen Vega, Administrative Secretary
SUBJECT: Agenda Item 5B – 06/18/09 Board Meeting
Approve Prior Board Meeting Minutes

SUMMARY

Attached are minutes from the Board meeting of June 4, 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 June 4, 2009**

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
Call to Order/Roll Call	Vice President Ochylski called the meeting to order at 6:05 p.m. Roll Call: Director Cesena Present Director Kelly Present Director Senet Present Vice President Ochylski Present President Sparks Absent	
Announcement of Closed Session Items, Public Comment on Closed Session Items, and Convening of Closed Session	Vice President Ochylski announced that the Board would convene to closed session for the following: PERSONNEL (Government Code Section 54957) Conference with Labor Negotiator; District Designated Representatives: Mitch Cooney, Interim General Manager and Jon S. Seitz, District Counsel; Employee Organization: San Luis Obispo County Employees Association (SLOCEA); Employment/Release of Utility Systems Manager; Interim General Manager Performance Evaluation Pursuant to Employment Contract 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; LOCSD et al v. American Alternative Insurance Corporation, Case No. CV08-01279 (Federal Court); LOCSD v. RWQCB (Case No. CV 0060633) in San Luis Obispo Superior Court; LOCSD v. Golden State et al. (Case No. 040126) San Luis Obispo Superior Court (Groundwater Adjudication) During public comment, <u>Keith Wimer</u> requested that the District set an urgent timeline for completion of the ISJ work to coincide with the Los Osos Wastewater Project and to ask the RWQCB for their assistance. <u>Frank Ausilio</u> urged the Board to make the Cleath report public as soon as possible. The Board adjourned to closed session at 6:10 p.m. President Sparks joined the meeting at this point.	
1. Call to Order/Roll Call	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	
2. Report Out of Closed Sessions on May 21, 2009 and June 4, 2009	District Counsel Jon Seitz announced the following: At the closed session following the May 21 Board meeting, the Board heard an update on the ISJ case, but took no reportable action. At the closed session on June 4, the Board discussed the Employment/Release of the Utility Systems Manager and the Performance Evaluation of the Interim General Manager, but took no reportable action. The Board heard updates regarding SLOCEA negotiations and all listed items of pending litigation, but took no reportable action.	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
3. Presentations and Administrative and Committee Reports		
A. Presentation of Proclamation of Appreciation	President Sparks presented a proclamation to Baywood Elementary Teacher Carol Comeau and her third grade students for providing student artwork promoting water conservation measures.	
B. Introduction of Brad Isaacs, Facilitator of Strategic Planning	Mr. Isaacs was unable to attend the meeting.	
C. Overview of Los Osos Water Basin Issues – Rob Miller, District Engineer	Mr. Miller provided a presentation entitled, "Seawater Intrusion in the Los Osos Groundwater Basin". This presentation was previously made to the RWQCB by the Los Osos Water Purveyors in May 2009.	
D. Administrative Reports		
1. District/CAL-FIRE Manager Report	Written report was submitted with the agenda packet. In addition, BC Phill Veneris provided fire prevention handouts for the public, stating that these would be available at the District office and at the fire station. He reported that CAL-FIRE training center at Sunnyside would hold classes this fall. He reported that hazard abatement property inspections had been conducted in May, with 160 Notices to Abate Hazards being issued. These properties will be re-inspected during the week of June 15, with a compliance deadline of July 1. There is a program sponsored by the San Luis Obispo Garbagemen's Association to provide hazard abatement assistance to low-income residents. He reminded the community that the LOCSD Chipping Day is scheduled for June 27.	
2. District Utilities Manager Report	Written report was submitted with the agenda packet.	
3. District General Manager Report	Interim General Manager Mitch Cooney reported that the final draft audit will be available next week for comments, and presented to the Board and public at the 6/18 Board Meeting. He also reported that to date, 105 lighting assessment ballots had been returned from Cabrillo Estates property owners. He will meet with the Cabrillo Homeowners Association on 6/11 to answer questions related to the assessment election. Ballots will be counted at public hearing on 6/18.	
E. Committee Reports		
1. LOCSD Standing Advisory Committee and Ad Hoc Committee Reports	Vice President Ochylski reported that the ESAC minutes for February, March, and April were submitted with the agenda packet. At the May ESAC meeting, the draft fire department budget was reviewed and discussed in detail. Committee voted unanimously to recommend budget approval. Committee voted 3-2 to recommend maximum CPI increase to special fire tax. Next meeting is scheduled for 6/16. President Sparks stated that 5/26 FAC meeting report was submitted with the agenda packet. Meeting had included review of draft budget, draft audit, and reserves policy. Committee voted 4-0 to recommend approval of draft budget and to recommend allocating reimbursed legal expenses to reserves. Next meeting scheduled for 6/8 to include audit review. President Sparks thanked Utility Manager George Milanese for his input at recent Ad Hoc Committee meeting, especially his recommendations regarding capital improvements.	
2. Director Reports on Attendance at Other Agency Committee Meetings	Vice President Ochylski reported on his attendance at 6/3 WRAC meeting, which included a County Water Master Plan presentation. He also reported on his attendance at 5/28 meeting of SLO Planning Commission, which had included discussion of piping systems for the Los Osos Wastewater Project. He also stated that District Counsel Jon Seitz had submitted a letter to the Planning Commission requesting that treated effluent be returned to the Los Osos groundwater basin.	

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<p>5. Consent Calendar</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Prior Meeting Minutes</p> <p> 1. May 7, 2009</p> <p> 2. May 21, 2009</p> <p>C. Receive Warrant Register for May 1, 2009 – May 31, 2009</p> <p>D. Receive Financial Statements for Period Ending April 30, 2009</p> <p>E. Approve Budget Adjustment to Increase Appropriation in Capital Outlay Funded by Reductions in Object, Services, and Supplies and Approve Purchase of Mobile Data Computer Systems and Required Hardware and Software for Installation in Medic Engine 15, Medic Rescue 15 and South Bay Chief Command Vehicle B3411</p>	<p>During public comment, <u>Keith Wimer</u> told the Board that seawater intrusion in Los Osos had been known since 1970, and confirmed in wells in the 1990's. He urged LOCSO to provide information on chloride levels in its wells. He recommended that the Los Osos Wastewater Project efforts be coordinated with the ISJ to address seawater intrusion mitigation as part of the wastewater project. <u>Julie Tacker</u> reminded the Board that it had been one year since the Board approved Tasks 1, 2, and 3 of the ISJ agreement. She urged the Board to make the Cleath report results public, and expressed concern for the County's ability to fund Task 3. <u>Gewynn Taylor</u> asked about a 2005 grant of \$220,000 for a seawater intrusion study, and expressed concern that Carollo Engineers was not aware of the Los Osos water problems as part of their work to update the County Water Master Plan. <u>Al Barrow</u> asked for historical clarification of the seawater intrusion studies performed by Cleath and the date when seawater intrusion in Los Osos was verified. <u>Frank Ausilio</u> asked for the legal definition of "seawater intrusion", "legal yield of the water basin", and the "transition zone". He recommended a basin-wide 218 assessment to fund the ISJ projects. <u>Chris Allebe</u> asked what the chances are of actually stopping the seawater intrusion. <u>Richard Margetson</u> questioned the truthfulness of the draft audit regarding the fire department fund balance. He urged the ESAC to continue discussion of the special fire tax increase, and that in his opinion there was no tie to justify increasing the tax when the fire service contract was decreasing by \$14,000. <u>Alon Perlman</u> stated his opinion that saltwater intrusion was a worse problem than nitrates, as he and others had stated to the RWQCB at their December 2008 meeting. <u>Leon Goldin</u> spoke in opposition to increasing the special fire tax without an increase in the level of service. He also spoke in opposition to combining public comment on several items.</p> <p>A motion was introduced by President Sparks to approve Agenda Items 5A, 5B, 5C, 5D, and 5E. The motion was seconded by Director Kelly.</p> <p>Roll Call Vote:</p> <table data-bbox="444 1157 1321 1308"> <tr> <td>President Sparks</td> <td>Yes</td> </tr> <tr> <td>Director Kelly</td> <td>Yes</td> </tr> <tr> <td>Director Cesena</td> <td>Yes</td> </tr> <tr> <td>Director Senet</td> <td>Yes</td> </tr> <tr> <td>Vice President Ochylski</td> <td>Yes</td> </tr> </table> <p>The motion was approved with five (5) affirmative votes.</p>	President Sparks	Yes	Director Kelly	Yes	Director Cesena	Yes	Director Senet	Yes	Vice President Ochylski	Yes	
President Sparks	Yes											
Director Kelly	Yes											
Director Cesena	Yes											
Director Senet	Yes											
Vice President Ochylski	Yes											
<p>6. General Action Items</p>												
<p>1. Presentation of Budget for FY2009 – 2010</p>	<p>Interim General Manager Mitch Cooney gave an audiovisual summary of the draft budget document.</p> <p>During public comment, <u>Leon Goldin</u> urged the Board to protect reserves now before the State tries to take them. <u>George Taylor</u> asked a question regarding staffing positions to be eliminated, and asked when George Milanes would be leaving and who would be replacing him. <u>Julie Tacker</u> asked about the dollar savings for eliminating staff positions. She asked where in the budget was the \$45,000 for ISJ Task 3. She expressed her opinion that the \$10,000 budgeted for a water master plan update should also include funding for an update of the urban water management plan. She stated her opinion that the drainage and erosion issues at Tri-W must be addressed before the fence can be removed. She also asked why there was no budget funding for a low-effect HCP. <u>Martha Goldin</u> asked a question regarding the Parks Fund and the pool money, stating her opinion that the funds must go toward pool construction or be returned to the taxpayers. <u>Richard Margetson</u> spoke in opposition to the budget being presented only in summary and the lack of public comment allowed. He spoke in opposition to taking administrative overhead from pool account interest. He also stated his opinion that the allocation to Admin from the Fire Fund was too high.</p>											

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<p>1. Presentation of Budget for FY2009 – 2010 (continued)</p>	<p>A motion was introduced by Vice President Ochylski to add language to the draft Reserves resolution stating that interest from reserves will remain in reserves. The motion was seconded by Director Cesena.</p> <p>Roll Call Vote:</p> <p>Vice President Ochylski Yes Director Cesena Yes Director Senet Yes Director Kelly Yes President Sparks No</p> <p>The motion was approved with four (4) affirmative votes.</p>	
<p>2. Ballot for Proposed San Luis Obispo County Vector Control Program</p>	<p>This agenda item was continued from the 5/21/09 Board meeting.</p> <p>During public comment, <u>Martha Goldin</u> and <u>Frank Ausilio</u> spoke in support for staff recommendation to vote "NO" on the ballots.</p> <p>A motion was introduced by President Sparks to approve staff recommendation to direct the Interim General Manager to complete the ballots received by the District indicating a "no" vote and have these ballots returned to the County for counting. The motion was seconded by Director Cesena.</p> <p>Roll Call Vote:</p> <p>President Sparks Yes Director Cesena Yes Director Kelly Yes Director Senet Yes Vice President Ochylski Yes</p> <p>The motion was approved with five (5) affirmative votes.</p>	
<p>6. General Public Comments</p>	<p>A motion was introduced by Vice President Ochylski to continue the meeting past 10:00 p.m. The motion was seconded by Director Kelly.</p> <p>Roll Call Vote:</p> <p>Vice President Ochylski Yes Director Kelly Yes Director Cesena Yes Director Senet Yes President Sparks Yes</p> <p><u>Richard Margetson</u> remarked that during the last FAC meeting, the public comment period had been taken up with answering questions from the committee members, since there was little historical knowledge of the District finances on the committee. He spoke in opposition to a general lack of opportunities for public comment, and the placement of general public comment at the end of the meeting. <u>Leon Goldin</u> suggested that the District look into federal funding available to communities to replace existing streetlights with LED lighting, which uses only 10% of the energy cost. He urged the Board to look back at the beginning budget for the District in 1999, stating his opinion that there was a need to find other ways to fund Admin, and spoke in opposition to the way public comment is being handled. <u>Julie Tacker</u> spoke in opposition to recent reduction of public comment opportunities, and commented on the District's position regarding the Los Osos Wastewater Project as stated in Jon Seitz's letter to the SLO Planning Commission. She recommended a public workshop to discuss ISJ Tasks 1 and 2. She urged the Board to audiotape the strategic planning meeting on 6/6. <u>Frank Ausilio</u> asked the Board to support sending a letter to the County requesting all pre-1999 Los Osos Wastewater Project reports be scanned and placed on the County website for public review. <u>Al Barrow</u> commented on the CDP for the prior wastewater project that included disposal at</p>	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
<p>6. General Public Comments (continued)</p>	<p>Broderson, adding that the California Coastal Commission had granted a de novo hearing that resulted in new conditions on the project. He further commented on the recent letter from the Coastal Commission to the County regarding the current wastewater project's ability to be approved as proposed in the EIR. <u>Gewynn Taylor</u> spoke in opposition to the Board's posting of their amended agenda for this meeting. <u>Linde Owen</u> stated she had heard that the County will not allow bids using alternative technologies like STEP or vacuum. <u>Jan Harper</u> stated that the District's agenda is distributed in many ways that exceed what is required under the Brown Act.</p>	
<p>Closing Board Comments</p>	<p>Director Kelly asked Interim General Manager Mitch Cooney to schedule an agenda item to send letters to other agencies similar to the letter submitted last month to the Planning Commission regarding the wastewater project. <u>Director Senet</u> warned the community to be aware that lighter fluid stored in plastic bottles can degrade the container and create a dangerous situation. <u>Director Cesena</u> announced the upcoming SLO Planning Commission fieldtrip to Monterey County to visit wastewater disposal sites using agricultural exchange. <u>Vice President Ochylski</u> announced an electronic recycling day on 6/13 and the District's Chipping Day on 6/27. <u>President Sparks</u> spoke in support for the current placement of public comment during Board meetings. He also announced the Junefest Fun Run on 6/7 at 9:00 a.m., which is a fundraiser for Morro Bay High School track and field.</p>	
<p>Adjournment</p>	<p>The meeting was adjourned at 10:30 p.m.</p>	