



December 31, 2009

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative Secretary *agk*
SUBJECT: Agenda Item 5B – 1/7/2010 Board Meeting
Approve Prior Board Meeting Minutes

President
Joe Sparks

Vice President
Marshall Ochylski

Directors
Chuck Cesena
Maria Kelly
Steve Senet

General Manager
Dan Gilmore

District Accountant
Amparo Haber

Administrative Supervisor
Sandi Woods

Utilities Supervisor
Margaret Falkner

Fire Chief
Matt Jenkins

Battalion Chief
Phill Veneris

SUMMARY

Attached are minutes from the LOCSD Board meeting of:

1. December 17, 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 and be considered separately.

Attachment

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**Los Osos Community Services District
Board of Directors
Minutes of the Regular Meeting of December 17, 2009**

AGENDA ITEM	DISCUSSION OR ACTION										
<p>CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Sparks called the Closed Session meeting to order at 6:08 p.m.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Director Cesena</td> <td style="width: 30%;">Absent</td> </tr> <tr> <td>Director Kelly</td> <td>Present</td> </tr> <tr> <td>Director Senet</td> <td>Present</td> </tr> <tr> <td>Vice President Ochylski</td> <td>Present</td> </tr> <tr> <td>President Sparks</td> <td>Present</td> </tr> </table>	Director Cesena	Absent	Director Kelly	Present	Director Senet	Present	Vice President Ochylski	Present	President Sparks	Present
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Vice President Ochylski	Present										
President Sparks	Present										
<p>ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p>	<p>President Sparks announced that the Board would convene to closed session for the following:</p> <p>A. 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. CV 08-01279 (Federal Court); Montgomery Watson Harza (MWH) v. LOCSD, Case No. CV060122 (San Luis Obispo Superior Court); LOCSD v. RWQCB (ACL Appeal), Case No. CV06033 (San Luis Obispo Superior Court); LOCSD v. Golden State et al. (Groundwater Adjudication), Case No. CV04012 (San Luis Obispo Superior Court); Taxpayers Watch et al v. LOCSD, Case No. CV051012 (San Luis Obispo Superior Court) – Measure B; Taxpayers Watch et al v. LOCSD et al., Case No. CV050862 (San Luis Obispo Superior Court); LOCSD v. SRWQCB, Case No. 05A505422 (Sacramento Superior Court)</p> <p>During public comment, <u>Julie Tacker</u> provided Directors and Staff a handout of concerns and encouraged the Board to appeal Condition of Approval #97 of the Development Plan.</p> <p>The Board adjourned to closed session at 6:14 p.m.</p>										
<p>RECONVENE TO OPEN SESSION CALL TO ORDER / ROLL CALL</p> <p>1. REPORT OUT OF CLOSED SESSIONS December 17, 2009</p>	<p>The Board reconvened to Open Session Meeting at 7:14 p.m.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Director Cesena</td> <td style="width: 30%;">Absent</td> </tr> <tr> <td>Director Kelly</td> <td>Present</td> </tr> <tr> <td>Director Senet</td> <td>Present</td> </tr> <tr> <td>Vice President Ochylski</td> <td>Present</td> </tr> <tr> <td>President Sparks</td> <td>Present</td> </tr> </table> <p>District Counsel Jon Seitz reported out of Closed Session that the Board heard an update on MWH versus LOCSD pending litigation, District received signed agreement from MWH, President Sparks signed the agreement. District will send letter to Construction Management Association withdrawing complaint against MWH, this requires agreement of Bankruptcy Court.</p> <p>The Board entered into an agreement with Taxpayers Watch Measure B litigation in which the District will dismiss appeal, Taxpayers Watch will dismiss Creditors Claims in Bankruptcy and attorneys fees as to the District. Copies of the agreements were provided to the public at the meeting.</p> <p>Mr. Seitz reported the Board discussed the ongoing Bankruptcy case with hearing set on 2/18/10, contractors and creditors seeking to dismiss bankruptcy. No reportable action taken.</p> <p>The Board heard an update on LOCSD versus RWQCB ACL Appeal. No reportable action taken.</p>	Director Cesena	Absent	Director Kelly	Present	Director Senet	Present	Vice President Ochylski	Present	President Sparks	Present
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<p>1. REPORT OUT OF CLOSED SESSIONS December 17, 2009 (continued)</p>	<p>Discussed LOCSD versus Golden State et al. Mr. Seitz reported the Basin Management Plan is in progress and peer review expected mid to late 2/2010.</p> <p>Director Cesena was absent and Director Senet declared a conflict of interest on Closed Session item Taxpayers Watch et al versus LOCSD et al, as settlement of litigation will impact personal interest in this litigation and did not participate in discussion. The Board took no reportable action.</p> <p>President Sparks announced that the Board would be returning to Closed Session following Open Session meeting.</p>
<p>2. PRESENTATIONS</p> <p>A. Certificates of Achievement Presented to Frank Asuncion, Robert Diemel, Rumel Florentino and Travis Tutt</p> <p>B. Proclamation of Appreciation Presented to William "Jocko" Sweet</p> <p>C. Presentation of Final FY08/09 Audit</p>	<p>President Sparks presented Certificates of Achievement to Utilities Water Resource Operators Frank Asuncion, Robert Diemel, Rumel Florentino and Crew Leader Travis Tutt in recognition of the successful completion of the State of California Water Distribution Grade D3 Examination and Certification.</p> <p>President Sparks presented a Proclamation of Appreciation to William "Jocko" Sweet, Utilities Water Resource Operator, on his retirement.</p> <p>Mr. Eric Xin, Brown Armstrong Accounting Corporation, gave a brief presentation of the Final FY2008/2009 Audit. Amended copies of pages 19 and 41 of the Audit Report were available at the meeting.</p>
<p>3. GENERAL PUBLIC COMMENT</p>	<p>During General Public Comment, <u>Leon Goldin</u> commented on public comment and placement of items on the agenda. <u>Frank Ausilio</u> commented on public comment and stated that Golden State's interests are not necessarily best interest of the District. <u>Linde Owens</u> commented on lack of LOWWP information, Board's approval of County's project, and appeals to Coastal Commission. <u>Julie Tacker</u> concurred with Mr. Goldin's comments, commented on resignation of Sarah Christie from Planning Commission, amended language for Condition of Approval #97. <u>Richard Margetson</u> reported on the 12/12/09 Needs and Wishes Fundraiser, thanking volunteers, announced that over \$45,000 was raised for the Maxine Lewis Homeless Shelter.</p>
<p>4. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. Administrative Reports</p> <p>1. District/CAL FIRE Manager Report</p> <p>2. District Utilities Department Report</p> <p>3. District Administration Department Report</p> <p>4. District General Manager Report</p>	<p>Battalion Chief Phill Veneris gave a summary of the CAL FIRE Manager Report as submitted with the agenda packet; announced the delivery of smoke detectors provided by Miner's Ace Hardware of Los Osos at reduced cost and donation and batteries to mobile home parks; thanked Fire Safe Council for grant to LOCSD to host a Chipping Day in May in conjunction with Hazard Abatement; commented on candle fires; and announced the next meeting of the ESAC will be held 1/15/10 and a presentation by San Luis Ambulance at the 2/16/10 ESAC meeting.</p> <p><u>Frank Ausilio</u> commented on placement of smoke detectors within the home.</p> <p>Utilities Supervisor Margaret Falkner gave a summary of the Utilities Department Report as submitted with the agenda packet.</p> <p>Administrative Supervisor Sandi Woods gave a summary of the Administration Department Report as submitted with the agenda packet.</p> <p>General Manager Dan Gilmore gave a summary of the District General Manager Report as submitted with the agenda packet.</p>
<p>B. Committee Reports</p> <p>1. LOCSD Standing Advisory Committee and Ad Hoc Committee Reports</p>	<p>Director Kelly reported the WAC did not meet in November and attended a Graywater Event.</p> <p>Vice President Ochylski reported ESAC is working on Strategic Plan and next ESAC will be held 1/19/10 and not 1/15/10 as previously announced and discussed concrete slab.</p>

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<p>B. Committee Reports 1. LOCSD Standing Advisory Committee and Ad Hoc Committee Reports (continued)</p>	<p>President Sparks reported two FAC meetings held, one in November and another in December with discussions on the audit and reviewed subcommittee Water Rate Study. President Sparks thanked Water Rate subcommittee. Minutes of these two meetings were not included in the agenda packet but provided to the Directors, staff and the public at the meeting.</p> <p>Vice President Ochylski reported on the November meeting of the WRAC and provided the minutes of this meeting to Directors, staff and the public.</p> <p>Director Kelly gave a verbal report of the 12/2/09 WRAC meeting.</p>								
<p>5. CONSENT CALENDAR</p> <p>A. Receive Administrative and Committee Reports B. Approve Prior Meeting Minutes C. Receive Warrant Register for November 2009 D. Receive Financial Statements for Period Ending October 31, 2009 E. Refund of Assessment on Wastewater Benefit Unit F. Cabrillo Estates Street Lighting G. Confirmation of Vehicle Purchases H. Adopt Resolution Adding Incoming General Manager and Deleting Outgoing Interim General Manager as Signer on District Bank Accounts I. Adopt Resolution Adding Incoming General Manager and Deleting Outgoing Interim General Manager as Designated Officer for LAIF Account J. Adopt Resolution Authorizing Signatories for the District's Safety Deposit Box K. Adopt Resolution Authorizing the General Manager to Determine and Dispose of District Property Determined to be Surplus to District Needs and To Dispose of the Surplus Property at the Maximum Reasonable Value</p>	<p>Administrative Secretary Ann Kudart announced a substitution to Consent Item 5H Resolution 2009-25 deleting one word "Interim" in line 4 of the Resolution title.</p> <p>During public comment on Administrative and Committee Reports and Consent Items, Leon Goldin, Julie Tacker, Richard Margetson, Linde Owen, and Al Barrow speak.</p> <p>A motion was introduced by Vice President Ochylski to Accept the Administrative and Committee Reports and Consent Items including substitution to 5H as announced. The motion was seconded by Director Kelly.</p> <p>Roll Call Vote:</p> <table data-bbox="456 829 1565 955"> <tr> <td>Vice President Ochylski</td> <td>Yes</td> </tr> <tr> <td>Director Kelly</td> <td>Yes</td> </tr> <tr> <td>Director Senet</td> <td>Yes</td> </tr> <tr> <td>President Sparks</td> <td>Yes</td> </tr> </table> <p>The motion was approved with four (4) affirmative votes.</p>	Vice President Ochylski	Yes	Director Kelly	Yes	Director Senet	Yes	President Sparks	Yes
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<p>6. GENERAL ACTION ITEMS</p> <p>A. Water Rate Structure Revision/Implementation of New Water Rates</p>	<p>General Manager Dan Gilmore introduced the item and gave a brief PowerPoint Presentation showing the revised Water Rate Structure to be fair, sufficient, encouraging conservation and simple.</p> <p>During public comment on General Action Item 6A, Linde Owen, Julie Tacker, Richard Margetson, and Al Barrow speak.</p>								

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A. Water Rate Structure Revision/Implementation of New Water Rates (continued)	<p>A motion was introduced by President Sparks to approve Water Rate Structure Revision including new water rates and direct staff to provide appropriate notice pursuant to the requirements and procedure of Proposition 218 with the appropriate CPI clause. The motion was seconded by Director Kelly.</p> <p>Roll Call Vote:</p> <table border="0"> <tr> <td>President Sparks</td> <td>Yes</td> </tr> <tr> <td>Director Kelly</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 four (4) affirmative votes.</p>	President Sparks	Yes	Director Kelly	Yes	Director Senet	Yes	Vice President Ochylski	Yes
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GENERAL PUBLIC COMMENT	<p>During General Public Comment, <u>Al Barrow</u> commented on the estimated cost of a decentralized wastewater systems for LOWWP.</p>								
CLOSING BOARD COMMENTS	<p>Director Senet wished everyone Happy Holidays and New Year.</p> <p>Vice President Ochylski echoed Director Senet's wishes and thanked staff for including water units on customer billing.</p> <p>President Sparks also echoed Director Senet's wishes and thanked the entire staff for their presence at this meeting, reported that he and General Manager Dan Gilmore would be presenting The City of Grover Beach with a Proclamation of Congratulations on 50 years of incorporation on 12/21/09.</p>								
ADJOURNMENT	<p>The Board adjourned to Closed Session at 9:29 p.m. (agk)</p>								

