

**Los Osos Community Services District
Minutes of the Regular Meeting of July 6, 2017**

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL	<p>President Storm called the meeting to order at 6:00 p.m. and led the flag salute.</p> <p>Roll Call: Charles L. Cesena, Director – Arrived at 6:02 p.m. Marshall E. Ochylski, Director – Arrived at 6:01 p.m. Louis G. Tornatzky, Director – Present Vicki L. Milledge, Vice President – Present Jon-Erik G. Storm, President – Present</p> <p>The following Staff were present: Renee Osborne, General Manager Roy Hanley, District Legal Counsel Ann Kudart, Administrative Services Manager</p>
2. ANNOUNCEMENT OF CLOSED SESSION ITEMS	<p>Legal Counsel Hanley announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>ANTICIPATED LITIGATION [Government Code, section 54956.9(b)]</u> It is the intention of the Board to meet in closed session with District Counsel concerning the following item: Conference with Legal Counsel, Significant Exposure to Litigation. Number of Cases: 1 Facts and circumstances not known to potential plaintiff which indicate significant exposure to litigation.</p> <p>B. <u>CONFERENCE WITH LABOR NEGOTIATORS [Government Code 54957.6]</u> Agency designated representatives: General Manager Renee Osborne and District Counsel Roy Hanley Employee designated representative: San Luis Obispo County Employees' Association</p> <p>C. <u>PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Government Code 54957 (b)(1)]</u> Title: General Manager</p> <p>D. <u>CONFERENCE WITH LABOR NEGOTIATORS [Government Code 54957.6]</u> Agency designated representative: District Counsel Roy Hanley Unrepresented employee: Grace Environmental Services</p>
3. PUBLIC COMMENT	<p>Public Comment – Jeff Edwards commented on Item 2A.</p> <p>At this point in the meeting President Storm briefly adjourned the meeting following a disruption by Mr. Edwards; following a short break the Board returned to the dais.</p> <p>Jeff Edwards opposed Items C and D.</p> <p>Julie Tacker commented on Item A and opposed Items C and D.</p> <p>Lynette Tornatzky supported Items C and D.</p>
4. ADJOURN TO CLOSED SESSION	<p>The Board adjourned to Closed Session at 6:09 p.m.</p>
5. RECONVENE TO OPEN SESSION	<p>The Board reconvened to Open Session at 7:09 p.m.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Director – Present Vicki Milledge, Vice President – Present Jon-Erik Storm, President – Present</p> <p>The following Staff were present: Renee Osborne, General Manager Roy Hanley, District Legal Counsel Greg Alex, Battalion Chief Ann Kudart, Administrative Services Manager</p>
6. REPORT OUT OF CLOSED SESSION MEETING	<p>Legal Counsel Hanley announced that there was no reportable action on Closed Session Items.</p>

AGENDA ITEM	DISCUSSION
<p>7. A. MOMENT OF SILENCE AND TRIBUTE In Memory of R. Michael Wright</p>	<p>Members of the Board each paid tribute to Mike Wright. Mike passed on June 26, 2017. He served as a member of the Los Osos Community Services District Board of Directors from July 2011 to December 2016. Mike served as our 2015 Board Vice President and 2016 Board President as well as many years serving on District advisory committees.</p>
<p>7. PUBLIC HEARINGS</p> <p>B. Adopt Resolutions Submitting the Following Fiscal Year 2017/2018 Assessments and Special Tax Rolls to San Luis Obispo County for Collection:</p> <ol style="list-style-type: none"> 1. Bayridge Estates Annual Service Charge 2. Vista De Oro Annual Service Charge 3. Drainage Special Tax 4. Fire Protection and Preventions Services Special Tax 5. Wastewater District No. 1 Assessments 	<p>President Storm opened the public hearing for testimony to consider all objections or protests to levying Bayridge Estates annual service charge in Fiscal Year 2017/2018 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Storm opened the public hearing for testimony to consider all objections or protests to levying Vista de Oro annual service charge in Fiscal Year 2017/2018 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Storm opened the public hearing for testimony to consider all objections or protests to levying the Drainage Special Tax in Fiscal Year 2017/2018 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Storm opened the public hearing for testimony to consider all objections or protests to levying the Fire Protection and Preventions Services Special Tax in Fiscal Year 2017/2018 tax rolls; there being none, the public hearing portion was closed.</p> <p>President Storm opened the public hearing for testimony to consider all objections or protests to levying the Wastewater District No. 1 Assessments in Fiscal Year 2017/2018 tax rolls.</p> <p>Public Comment – Richard Margetson and Julie Tacker voiced their objections to the amount of the administrative fee.</p> <p>Seeing no further public comment, President Storm closed the public hearing portion.</p> <p>A motion was made by Director Ochylski to adopt Resolutions 2017-17, 2017-18, 2017-19, 2017-20, and 2017-21 to levy the charges, special taxes, and assessments for Bayridge Estates, Vista de Oro, Drainage, Fire Protection and Prevention Services, and District No. 1 Wastewater Services direct staff to submit adopted resolutions and tax rolls to the County for collection; and, to refer the Wastewater administrative charges to the Finance Advisory Committee for resolution. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Cesena, Tornatzky, Milledge, Storm Nays: None Abstain: None Absent: None</p>
<p>B. Public Hearing to Adopt Resolution Submitting District Past Due Water Accounts as Listed in General Manager's Report of Delinquent Water Charges and Approve Collection in the Fiscal Year 2017/2018 Tax Rolls</p>	<p>President Storm opened the public hearing for testimony to consider all objections or protests to levying delinquent water charges for collection in the Fiscal Year 2017/2018 tax rolls; there being none, the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolutions 2017-22 confirming the Report of the District General manager for delinquent water collection charges and authorize the collection of delinquent charges in the County tax roll. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Cesena, Tornatzky, Ochylski, Milledge, Storm Nays: None Abstain: None Absent: None</p>
<p>C. Public Hearing to Adopt the Proposed Fiscal Year 2017/2018 Budget</p>	<p>President Storm reported that this is a continuation of the public hearing from the June 15, 2017 Special Meeting and requested an update to changes made since that hearing.</p> <p>General Manager Osborne reported that the Finance Advisory Committee reviewed and recommended changes to Admin Allocations of Bayridge .5%, Vista de Oro .5%, Fire 10%, Water 85%, Drainage 2%, Wastewater .5%, and Parks and Recreation 1%. Regarding the Bayridge loan,</p>

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<p>C. Public Hearing to Adopt the Proposed Fiscal Year 2017/2018 Budget (continued)</p>	<p>the interest should be West Coast Prime +1 or 4.5% and annual loan amount should be \$27,964, reflected in this budget, not \$25,006; Bayridge will show a negative ending balance in 2016 and FAC recommended a one-time loan without interest to cover the negative balance. An adjustment to Fire was made to rollover the ending balance into the Vehicle Reserve Fund and the \$34,000 grant from Firehouse Subs was deposited in FY16/17 under revenue but will be spent in FY17/18. Vista de Oro will end in a negative balance due to the FY15/16 rollover not addressed in the FY16/17 budget and FAC recommended a one-time loan to cover the negative balance; and will check with auditor that loan was actually paid off. Regarding Water, the Capital Improvement Reserve amount was moved to the front of the budget under revenue, Bayridge loan interest should be in Water revenue. The Wastewater fund ends in a negative balance due to \$18,000 for NBS services not accounted for in FY16/17 budget and FAC recommended a one-time loan with interest to cover the negative balance. Drainage will need to do Capital Improvements at 8th Street in FY17/18 and will have a positive balance. Parks and Recreation fund has a positive balance.</p> <p>Public Comment – Julie Tacker opposed adoption of the budget as presented.</p> <p>Richard Margetson commented on continuing issues with the budget and voiced his concerns with the narratives.</p> <p>A motion was made by Vice President Milledge to adopt Resolutions 2017-22 adopting Fiscal Year 2017/2018 budget and to refer to FAC for updates. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Milledge, Tornatzky, Ochylski, Storm Nays: Cesena Abstain: None Absent: None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Julie Tacker commented on the policy of public comments on items not on the agenda and opposed the organizational chart as presented in the budget.</p> <p>Mary Lucey supported the Board's passage of the budget and commented on the New Times article regarding District committee members.</p> <p>Linde Owen commented on passage of the budget and the upcoming Item 12A.</p> <p>Richard Margetson commented on the budget issues and Mike Wright's support and service on ESAC.</p> <p>Nancy McNeil commented on individuals causing chaos and prohibiting the Board from conducting the business of the District.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. Fire Department Report</p> <p>B. Sheriff Department Report</p> <p>C. Utilities Department Report</p> <p>D. General Manager Report</p> <p>E. Los Osos Community Advisory Council (LOCAC)</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p>	<p>Battalion Chief Alex offered his condolences and sympathies to the family of Mike Wright; he provided a summary of the May 2017 Fire Department activities as submitted in the agenda packet; and provided an update on the weed abatement and upcoming re-inspections and a recent accident with Medic Rescue 15 with no injuries.</p> <p>Commander Voge provided a report of the Sheriff Department's activities during the month of June 2017 with 310 calls for service.</p> <p>General Manager Osborne provided a report on the May 2017 activities of the Utilities Department as submitted in the agenda packet.</p> <p>General Manager Osborne provided a summary of the GM's activities for June 2017 as submitted in the agenda packet.</p> <p>Lynette Tornatzky reported on the June 22, 2017 LOCAC meeting.</p> <p>Steve Vinson offered his condolences on the passing of Mike Wright stating that Mike was a good friend of the Chamber; he reported that the Chamber is looking for a volunteer for light duty on Thursday's at the Chamber and gave a brief summary of upcoming Chamber activities during the month of July.</p>

AGENDA ITEM	DISCUSSION
<p>G. Utilities Advisory Committee Report</p> <p>F. Finance Advisory Committee Report</p> <p>G. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>J. Response to Previously Asked Questions</p>	<p>Director Cesena reported on the June 20th UAC meeting in which the Committee reviewed the Utilities budget; the 8th Street design contact of the upper aquifer well and an upcoming 8th Street drainage project.</p> <p>Director Ochylski reported on the June 29th FAC meeting in which the Committee reviewed and provided recommendations to the Board regarding the FY17/18 budget adoption, the warrants and the financials.</p> <p>None</p> <p>None</p>
<p>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>Linde Owen commented on water conservation efforts slipping; appreciated the LOCAC report; revisit vacation rentals; and the need for a safe walkway on Palisades.</p> <p>Julie Tacker commented on Utilities staffing; expansion of water into the Sage neighborhood; dog park lease; LOCAC report; monies drawn from Park fund; and the warrants.</p> <p>Richard Margetson commented on missing Utilities report charts and ESAC should review the budget.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of June 1, 2017 and June 15, 2017</p> <p>C. Approve Warrant Register for Disbursement for June 2017</p> <p>D. Receive Financial Reports for Period Ending May 31, 2017</p> <p>E. Reaffirm CAL FIRE/SLO County Fire Department and LOCSD Cooperative Fire Protection Agreement and Update Schedules "A" through "E" to Reflect Changes in Services and Costs for FY2017/18</p> <p>F. Approve Purchase of Zoll X Series Manual Monitor/Display and Supporting Equipment</p> <p>G. Award Contract for the Design of the 8th & El Moro Upper Aquifer Well Equipping Project</p> <p>H. Authorize President of the Board to include LOCSD to the "We Are Still In" Roster</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</p> <p>A. Discussion Regarding Potential Bylaws Changes to Require Certain Disclosures from Advisory Committee Applicants and Members</p>	<p>President Storm reported that the 2017 Bylaws allowed Directors to appoint members of the public to each committee to serve at will and that this item is for discussion as to what, if any, changes should be made to rules regarding committee members in preventing a "black eye" to the District.</p> <p>Public Comment – Linde Owen supported a decision by five Board members, not individual preferences.</p>

AGENDA ITEM	DISCUSSION
A. Discussion Regarding Potential Bylaws Changes to Require Certain Disclosures from Advisory Committee Applicants and Members (continued)	<p>Steve Best was disappointed he was not selected for any of the committees.</p> <p>Lynette Tornatzky supported specific language in the Bylaws.</p> <p>Julie Tacker supported past practices for committee appointments and the need for alternates.</p> <p>Richard Margetson commented on the positive and valuable input from past committee members.</p>
13. DISCUSSION OF PULLED CONSENT ITEMS	None
14. FUTURE AGENDA ITEMS	None
15. CLOSING BOARD COMMENTS	<p>Director Ochylski announced the upcoming IRWM workshop to be held on July 12th at the District Office.</p> <p>Director Cesena announced the memorial service for Mike Wright on Sunday, July 9th at Saint Timothy's in Morro Bay.</p> <p>President Storm commented on the continuing refinement of the budget by FAC and thanked everyone for their support.</p>
16. ADJOURNMENT	The meeting adjourned at 9:06 p.m.