



May 25, 2016

TO: LOCSO Board of Directors

FROM: Ann Kudart, Administrative/Accounting Assistant III *agk*

SUBJECT: **Agenda Item 11B – 6/2/2016 Board Meeting**
Approve Meeting Minutes of May 5, 2016

President
Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

Directors
Charles L. Cesena
Louis G. Tornatzky
R. Michael Wright

Interim General Manager
Peter J. Kampa

Temporary District Accountant
Dale G. Flynn

Unit Chief
Scott M. Jalbert

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from the May 5, 2016 Board of Directors meetings.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the minutes of the Board of Directors May 5, 2016 meeting.

Attachment

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of May 5, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 6:01 p.m. and led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant III</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PERSONNEL MATTERS (Government Code §54954.5)</u> Public Employment – District Interim General Manager</p> <p>B. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> Conference with Real Property Negotiator, Peter J. Kampa, Interim General Manager Property: 2122 9th Street, Suite 102, Los Osos, CA</p> <p>Public Comment: Lynette Tornatzky supported Mr. Kampa as District General Manager.</p> <p>Jeff Edwards and Julie Tacker opposed Mr. Kampa as the District General Manager and in regards to Item 2B, opposed any move at this time.</p> <p>The Board adjourned to Closed Session at 6:10 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:05 p.m. and Director Cesena led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Michael Seitz, District Legal Counsel Tom McEwen, Battalion Chief Ann Kudart, Administrative/Accounting Assistant III</p>
<p>6 REPORT OUT OF CLOSED SESSION MEETING</p> <p>7. NOT USED</p>	<p>District Legal Counsel Seitz reported that the Board considered the public employment of the District Interim General Manager but took not reportable action. In regards to Item 2B, the Board gave direction but took no reportable action.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Julie Tacker inquired as to the status of the Request for Proposal/Qualifications for District Legal Counsel and commented on the time and money spent by Mr. Seitz in filling a public records request from an attorney in Sacramento for all public records requests by Ms. Tacker.</p> <p>Richard Margetson announced the South Bay Community Center's 30th Anniversary Celebration to be held August 13, 2016.</p> <p>Linde Owen announced a Homeowners Lateral Information Forum to be held Saturday, May 14th and commented on repurposing septic tanks.</p> <p>Al Barrow urged the Board to be aware of the costs on the community when considering raising water rates.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. Interim General Manager Report for April 2016</p> <p>D. Legal Counsel Report</p> <p>E. Los Osos Community Advisory Council (LOCAC) Report</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p> <p>G. Emergency Services Advisory Committee Report</p> <p>H. Joint Finance/Utilities Advisory Committees Meeting Report</p> <p>I. Basin Management Committee Meeting</p> <p>J. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p>	<p>Battalion Chief McEwen reported on the Chief's Report for the month of March 2016 reporting on the emergency activity, administration, special programs and projects, training, and fire prevention report as submitted in the agenda packet.</p> <p>Interim General Manager Kampa gave a brief summary of the March 2016 Utilities Department report as submitted in the agenda packet.</p> <p>Interim General Manager Kampa provided a summary of the report as submitted with the agenda packet.</p> <p>None.</p> <p>Vicki Milledge, LOCAC Chairperson, reported on the April 28, 2016 meeting. She reported that there will not be an election as they only had one candidate and announced the LOCAC representatives. The Council heard a report on two minor use permits; and upcoming committee meetings.</p> <p>Steve Vinson, Chamber Board President, announced the May 11th Chamber Mixer from 5:30 p.m. to 7:30 p.m. and the Festival of Flavors will be held June 24th from 5:00 p.m. to 8:00 p.m.</p> <p>Director Cesena gave a brief summary of the April 19th ESAC meeting as outlined in the minutes submitted with the agenda packet and reported on the lengthy discussion the committee had pertaining to the need for additional revenue; and that the Committee requested that the Board agendize the designation of the Fire Mitigation funds and changes to the Hazard Abatement Requirements.</p> <p>President Ochylski reported on the April 25th joint FAC/UAC meeting. The Committees discussed the water shortage emergency rates and if Level IV should be declared. He reported that the goal, with direction from the Committees and tonight from the Board's Item 12C, is that the Committees will revisit and send back to the Board with their recommendations.</p> <p>President Ochylski reported on the April 20th Basin Management Committee Meeting in which the Committee discussed various rebate programs to encourage water conservation and also reward people for the water conservation efforts they are already taking with direction to pursue the possibility of using County rebate funds and discussed ways to educate the public in repurposing their septic tanks. The next meeting will be Wednesday, May 18th at 1:30 p.m.</p> <p>Director Tornatzky reported on his attendance at the Water Resource Advisory Committee which focused on emerging State water programs reporting Los Osos as a high priority-need organization for water issues.</p>
<p>10. PUBLIC COMMENT ON ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Public Comment – Al Barrow, Linde Owen, Julie Tacker, and Richard Margetson spoke.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of April 7, 2016</p> <p>C. Receive Warrant Register for April 2016</p> <p>D. Amend District's Reserve Policy to Address Revenue and Project/Expense Carryover from Fiscal Year to Fiscal Year</p>	<p>A motion was made by Director Wright to receive and file the Administrative and Committee Reports and to approve the Consent Calendar. The motion was seconded by Vice President Storm and carried with the following vote:</p> <p>Ayes: Directors Wright, Storm, Cesena, Tornatzky, Ochylski Nays: Cesena on Item 11D Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>12. GENERAL ACTION ITEMS</p> <p>C. Consideration of Water Shortage Emergency (Water Rates and Declaring a Stage IV Critical Water Supply Emergency</p>	<p>President Ochylski moved General Action Item 12C to be heard at this time.</p> <p>Interim General Manager Kampa provided supplemental documentation of the emergency rates and revenue projections. He reported on the cost of the planned rate increase only and then the planned increase with the Stage 4 Emergency rates. The Board requested the results of the April water quality testing.</p> <p>Public Comment – Julie Tacker commented on the need to see the reserve balances; more information on the District’s finances; and liquidating District properties.</p> <p>Linde Owen commented on the District getting its house in order; inquired as to the total amount of revenue from penalties; and believes we are currently at Stage 4.</p> <p>Al Barrow commented on the need to balance the budget and opposed canceling committee meetings.</p> <p>Richard Margetson commented on the components of Level 4 and the Rate Stabilization reserve being part of the discussion; and requested the Board not to move too quickly on this item.</p> <p>Lynette Tornatzky supported the necessary rate increase and the use of a public relations firm.</p> <p>Following further discussion the Committee recommended looking at all the components of the District’s operations and revenues not only water rates and water shortage; to work with the Finance and Utilities Advisory Committees; to bring a draft back to the Board for final direction and resolution.</p>
<p>A. Adopt Resolution Approving a Board Member Orientation Program and Policy</p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet reporting that the policy is a living document with information orienting the Board with what is going on with the District and requested Board direction.</p> <p>Public Comment – Julie Tacker supported the GM providing Board orientation.</p> <p>Al Barrow commented on tabling the item and not complicating everything.</p> <p>Linde Owen commented on focusing on getting the District back in shape.</p> <p>A motion was made by Director Wright that the Board adopt Resolution 2016-15 approving a policy on Board Member Orientation and directing the update of the Board Orientation Program Manual to be completed by the end of 2016. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena, Tornatzky, Storm, Ochylski Nays: None Abstain: None Absent: None</p>
<p>B. Adopt Resolution Approving Agreement with Kampa Community Solutions, LLC for General Management Services</p>	<p>Interim General Manager Kampa recused himself and left the dais.</p> <p>President Ochylski gave a brief summary of the report as submitted in the agenda packet reporting that the item is of a timely nature as Mr. Kampa’s contract expires at the end of the month.</p> <p>Public Comment – Julie Tacker supported continuing the item; commented that the Board has not had adequate time to review the report as it was not available in a timely manner; opposed Mr. Kampa as the District General Manager.</p> <p>Al Barrow commented on offering an extension of the existing contract.</p> <p>Lynette Tornatzky supported Mr. Kampa as the District General Manager.</p> <p>Richard Margetson commented on extending the existing contract and would like to see more work product.</p> <p>Linde Owen supported extending the existing contract for three months.</p>

AGENDA ITEM	DISCUSSION
<p>B. Adopt Resolution Approving Agreement with Kampa Community Solutions, LLC for General Management Services (continued)</p>	<p>A motion was made by Director Cesena that the Board offer to extend Mr. Kampa's current contract for three months. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Cesena, Wright, Tornatzky, Storm, Ochylski Nays: None Abstain: None Absent: None</p> <p>Mr. Kampa returned to the dais.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p>	<p>None</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Director Cesena requested that the items from ESAC pertaining to the Fire Mitigation Fund and the changes in the Hazard Abatement process.</p> <p>Director Wright requested a discussion of the Recycled Water Contract with the schools, a subcommittee to review the Fire finances, and consider increasing the public comment in the minutes.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Tornatzky commented on the recent opening of the Wastewater Facility.</p> <p>Director Cesena reported on the May 18th Basin Management Committee, urged the public to clean and close their septic tanks, and announced the Homeowners Lateral Information Forum to be held Saturday, May 14th at the Community Center.</p> <p>President Ochylski commented on the repurposing of septic tanks as a valuable resource.</p> <p>Vice President Storm announced that his property is hooked up to the sewer and has cleaned and closed his septic tank.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 9:40 p.m.</p>