

**Los Osos Community Services District
Board of Directors
Minutes of the Regular Meeting of February 7, 2013**

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/FLAG SALUTE/ROLL CALL	<p>President Moothart called the Closed Session Meeting to order at 6:01 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Marshall Ochylski – Present David Vogel, Director - Present Michael Wright, Director - Present Craig Baltimore, Vice President - Present Leonard Moothart, President - Present</p> <p>The following Staff were present: Margaret Falkner, Acting General Manager Michael Seitz, Deputy District Counsel Ann Kudart, Clerk to the Board</p>
2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION	<p>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PENDING LITIGATION (Government Code, §54956.9(a).)</u> - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV04012 (San Luis Obispo Superior Court) - <i>Corr Family Properties v. Los Osos Community Services District</i>, San Luis Obispo Superior Court, Case No. CV110674 (Cross-Complaint)</p> <p>B. <u>LIABILITY CLAIMS (Government Code §54956.9(a).)</u> - Claimant: Los Osos Community Services District Agency Claimed Against: San Luis Obispo County - Claimant: William Moylan and Beverly De Witt-Moylan Agency Claimed Against: Los Osos Community Services District</p> <p>C. <u>PERSONNEL (Government Code §54957)</u> - Public Employee Appointment - Title: General Manager - Conference with Labor Negotiator District Negotiators: Vice President Baltimore and Director Vogel Employee Organization: San Luis Obispo County Employees Associations</p>
3. PUBLIC COMMENT	<p>Public Comment: Lynette Tornatzky asked if there would be a report when the Moylan Liability Claim was settled.</p>
4. ADJOURN TO CLOSED SESSION	<p>District Counsel Seitz responded that it will be heard in Small Claims Court on April 1, 2013 and the hearing is open to the public.</p> <p>The Board adjourned to Closed Session at 6:04 p.m.</p>
5. RECONVENE TO OPEN SESSION	<p>The Board reconvened to Open Session at 7:07 p.m. and Director Wright led the flag salute.</p> <p>The following Board Members were present: Craig Baltimore, Director David Vogel, Director Michael Wright, Director Leonard Moothart, Vice President Marshall Ochylski, President</p> <p>The following Staff were present: Margaret Falkner, Acting General Manager Michael Seitz, Deputy District Counsel Ann Kudart, Clerk to the Board Ampy Haber, District Accountant Phill Veneris, Battalion Chief, Station 15-South Bay</p>
6. RECEIVE REPORT OUT OF CLOSED SESSION OF FEBRUARY 7, 2013	<p>Deputy District Counsel Seitz reported that the Board heard a report from Legal Counsel on the Pending Litigation cases but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION OF FEBRUARY 7, 2013 (continued)</p>	<p>In regards to the Moylan Liability Claim, the matter has been filed in Small Claims Court. The Board gave direction, but took no reportable action.</p> <p>In regards to the Conference with Labor Negotiators, the Board gave direction but took no other reportable action.</p>
<p>7. GENERAL PUBLIC COMMENT</p>	<p>Linde Owen commented on the traffic detours due to sewer construction requesting the District send a letter to the contractors urging them to address the traffic and dust control.</p> <p>Julie Tacker requested an update on the bankruptcy and commented on the broken pipe on Los Osos Valley Road and construction on Santa Ysabel Avenue.</p> <p>Richard Margetson commented on the County's Recycled Water Management Plan and the Water Conservation Implementation Plan and disagreed with the current water demand information in the Water Efficiency Grant application.</p> <p>The Board directed Staff to invite the County and Dig Los Osos to attend the Board meetings to give regular updates.</p>
<p>8. PUBLIC HEARING A. Public Hearing to Consider and Tabulate Written Protests from Solid Waste customers and Property Owners Regarding Proposed Solid Waste Rate Increase</p>	<p>Acting General Manager Falkner reported that Mission Country Disposal, the District's solid waste franchise, is requesting a 2.3% rate increase and if a majority protest does not exist the proposed increase would become effective March 1, 2013.</p> <p>Director Ochylski reported that the Finance Advisory Committee discussed this item at their February 5, 2013 meeting and clarified that the rates in the Public Notice are based on the subsidy and the increase is closer to 4.4%. The Committee did not recommend continuance of the subsidy.</p> <p>Legal Counsel Seitz announced the recommended procedure in conducting the Public Hearing on the proposed solid waste rate increase.</p> <p>President Moothart opened the Public Hearing and called for any additional written protests or withdrawal of previously filed written protests, seeing none he opened the floor to public comment.</p> <p>Public Comment: Linde Owen commented on her appreciation of the garbage company and disagrees with losing the solid waste franchise to the County urging the Board to keep it in the community.</p> <p>Julie Tacker requested clarification on the actual rate increase and would like to know the Board's recommendation on continuing the subsidy.</p> <p>Richard Margetson commented that the increase on bills will be higher than 2.3% and disagrees with discontinuing the subsidy.</p> <p>President Moothart called for any additional written protests, seeing none, he closed the Public Hearing.</p> <p>Legal Counsel Seitz tabulated the votes and reported that two valid written protest votes and one invalid protest were received and recommended the Board accept the invalid protest as a valid protest and finding that there was not a majority.</p> <p>Director Vogel made a motion that the Board declares that a majority protest does not exist and therefore the Board hereby adopt Resolution 2013-01 approving the proposed solid waste rate increase to be effective March 1, 2013. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Vogel, Wright, Ochylski, Baltimore, Moothart Nays: None Abstain: None Absent: None</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report</p>	<p>Battalion Chief Veneris gave an update on the fire engine procurement and reported a link to view the construction of the truck is on the District's website. He reported on the December 2012 emergency activities with Station 15-South Bay responding to 127 calls. He reported on the Administrative activities, training, special programs and projects, and fire prevention events throughout December 2012.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS (continued)</p> <p>B. Utilities Department Report</p> <p>C. LOCAC Report</p> <p>D. Emergency Services Advisory Committee Report</p> <p>E. Utilities Advisory Committee Report</p> <p>F. Finance Advisory Committee Report</p> <p>G. Directors Reports on Attendance at Other Agency Committee Meetings</p>	<p>Director Ochylski requested the Organizational Chart submitted with the Cal Fire Report be corrected to show Director Wright, and not Director Vogel, is on the Emergency Services Advisory Committee.</p> <p>Acting General Manager Falkner reported on the operations of the Utilities Department for the month of December 2012, reporting on water production, consumption and revenues; she reported that the Ford F-350 Utility vehicle repairs came in under budget at \$16,400; she reported that the new MS4 Permit was approved by the State on February 5, 2013 with some modifications in language. She reported that the County has the video of Bayridge and Vista de Oro collection systems and the crew continues monitoring and groundskeeping.</p> <p>LOCAC Member Paul Malykont reported on the January 24, 2013 meeting. The Council heard reports from the Sheriff, the County, and Supervisor Gibson. The Council remembered Gwynn Taylor; heard a report on Celebrate Los Osos's current project to restore the "Welcome to Los Osos" signs; and, reviewed two Land Use proposals for minor projects.</p> <p>Director Wright reported on the January 29, 2013 Emergency Services Advisory Committee (ESAC) meeting. The Committee had a discussion on the possibility of charging the State of California for emergency services into Montana de Oro State Park; discussed the State Responsibility Area Fire Prevention Fee recommending the Board send a letter to the Legislature supporting the repeal of the fee and supporting AB 124. The Committee reviewed the status of Fund 301 and heard Financial updates; reviewed the final ESAC work plan and discussed the 2013 goals; discussed the Committee applications, and scheduled the next meeting for February 26, 2013.</p> <p>President Moothart directed Staff to prepare a letter of support repealing the fee and supporting AB 124 and place on the agenda for the next Board of Directors meeting.</p> <p>Vice President Baltimore reported on the January 9, 2013 Utilities Advisory Committee (UAC) meeting. He reported that they reviewed the Drainage List recommending the Board direct Staff to maintain an awareness of the status and near-term plans for the drainage work the County is doing. He reported that PEG funding is near completion and the Emergency Water Shortage Ordinance will be presented by the subcommittee at the March 13, 2013 meeting. The Committee discussed a process to keep the Capital Improvement Projects up to date. The Committee will prioritize the goals of the 2012/2013 Work Plan. The next meeting will be held February 13, 2013.</p> <p>President Moothart directed Staff to monitor the County's drainage activities.</p> <p>Director Ochylski reported on the February 5, 2013 Finance Advisory Committee (FAC) meeting reporting the Committee reviewed the warrants and financials and schedules recommending the Board receive and file; the Committee recommended the Board accept Staff's recommendation for proceeding with the work on Palisades Well; recommended the Board authorize Staff to apply for the Water Efficiency Grant funding; and, recommended that the Board accept the Fireman's Fund Heritage Grant and approve a budget adjustment. The Committee discussed the FAC's 2013 goals to be forwarded to the Board for direction in 2013. The next FAC meeting will be held March 13, 2013.</p> <p>Director Ochylski reported that following the meeting, Committee Member Garfinkel indicated that he could no longer serve on the Finance Advisory Committee in the upcoming year due to prior commitments and thanked Mr. Garfinkel for his many years of service on the Committee and to the community.</p> <p>Director Vogel reported on his attendance at the January LOCAC meeting. He reported on his attendance at the February 6, 2013 Water Resource Advisory Committee meeting where Cambria CSD requested the approval a level of service reduction, the Committee did not approve the request.</p> <p>Director Ochylski reported that he, Director Wright, President Moothart attended the 2013 Chamber of Commerce Installation Dinner where Big Daddy's Pizza was acknowledged as the Business of the Year; there was a tribute to Sylvia Smith; and Peter Starlings was named Citizen of the Year.</p>
<p>10. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Vice President Baltimore asked for clarification on Item 11M and Director Ochylski reported that the grant, due to a deadline, had been submitted.</p> <p>Public Comment: Julie Tacker commented that the application for the Water Efficiency Grant be rescinded and that the Palisades Well be capped and a new well drilled on the east side of Los Osos.</p>

AGENDA ITEM	DISCUSSION
<p>10. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Richard Margetson commented on the Executive Summary of the Water Efficiency Grant believing there are numerous inaccuracies.</p> <p>Linde Owen requested the Board consider rescinding the Water Efficiency Grant.</p>
<p>11. CONSENT CALENDAR</p> <p>A. Receive Administrative and Committee Reports B. Approve Minutes of January 3, 2013 C. Receive Warrant Register for January 2013 D. Receive Financial Statements for Period Ending December 2012, and Cash and Investment Schedules and Reserves Schedule as of December 31, 2012 E. Consider Contract with Margaret Falkner as Interim General Manager F. Delete Outgoing General manager Morrow and Add Interim General Manager Falkner on Bank Accounts G. Delete Outgoing General Manager Morrow and Add Interim General Manager Falkner to LAIF Account H. Cancel Debit Cards for Outgoing General Manager Morrow and Outgoing Billing Clerk/Bookkeeper Woods I. Re-affirm District Investment Policy and Review Investment Report as of December 31, 2012 J. Adopt 2013 Board Bylaws and Rules of Decorum K. Approve Letter of Request to Appoint District Members to the Water Resource Advisory Committee L. Authorize Palisades Well Mitigation with Reclassification of Budget M. Authorize Application for Bureau of Reclamation Water Efficiency Grant N. Accept Fireman's Fund Heritage Grant in the Amount of \$10,000 and Approve a Budget Adjustment</p>	<p>Director Ochylski made a motion to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar. The motion was seconded by Vice President Baltimore and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Baltimore, Vogel, Wright, Moothart Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. Appoint Regular and Alternate Public Members for 2013 Standing Advisory Committees</p>	<p>President Moothart recommended the three applicants from the revised 2013 Local Appointment List, Jerry Dillingham, Brent Marshall and Thomas Wright, be appointed to the Emergency Services Advisory Committee and the three applicants from the revised 2013 Local Appointment List, Lisa Gonzalez, Bob Semonsen and Keith Swanson be appointed to the Finance Advisory Committee. A revised copy of the 2013 Local Appointment List was available to the Board, Staff and public at the meeting.</p>

AGENDA ITEM	DISCUSSION
<p>A. Appoint Regular and Alternate Public Members for 2013 Standing Advisory Committees (continued)</p>	<p>Public Comment: Linde Owen commented that she wished there was more community involvement.</p> <p>Vice President Baltimore nominated Dominic Roques and Director Vogel nominated Chuck Snead to the Utilities Advisory Committee with Linde Owen serving as the Alternate Member.</p> <p>Director Ochylski moved that the Board confirm the appointments to the Standing Advisory Committees. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Wright, Vogel, Baltimore, Moothart Nays: None Abstain: None Absent: None</p>
<p>13. FUTURE AGENDA ITEMS</p>	<p>Director Wright requested that a letter of support repealing the Fire Prevention fee and supporting AB 124 be placed on the agenda for the next Board of Directors meeting and an invitation to Dig Los Osos to attend Board meetings to provide update on the wastewater project.</p>
<p>14. CLOSING BOARD COMMENTS</p>	<p>Director Vogel encouraged the community to participate in the committees and attend the Board meeting.</p> <p>Director Wright urged the public to become involved with the committees.</p> <p>Director Ochylski announced that both World Series trophies would be at the next Farmer's Market in San Luis Obispo.</p> <p>President Moothart announced the upcoming Rotary Club of Los Osos Scholarship Dinner on March 11, 2012 at the 10th Street Grill to benefit the High School academic and vocational scholarships. He reported that Rotary was holding an Electronic Recycling event at Trinity Methodist Church on LOVR and Pine Avenue through Sunday, February 10, 2013.</p>
<p>ADJOURNMENT</p>	<p>The Board adjourned to Closed Session at 8:41 p.m.</p>