

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

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</b></p>	<p>President Moothart called the Closed Session Meeting to order at 6:01 p.m. and Vice President Baltimore led the flag salute.</p> <p><u>Roll Call:</u>            Marshall Ochylski – Absent            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, Interim General Manager            Michael Seitz, Deputy District Counsel            Ann Kudart, Administrative Secretary</p>
<p><b>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</b></p>	<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: William Moylan and Beverly De Witt-Moylan            Agency Claimed Against: Los Osos Community Services District</p> <p>C. <u>PERSONNEL (Government Code §54957)</u>            - Conference with Labor Negotiator            District Negotiators: Vice President Baltimore and Director Vogel            Employee Organization: San Luis Obispo County Employees Associations</p>
<p><b>3. PUBLIC COMMENT</b></p>	<p>Public Comment: None</p>
<p><b>4. ADJOURN TO CLOSED SESSION</b></p>	<p>The Board adjourned to Closed Session at 6:04 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:12 p.m. and Director Vogel led the flag salute.</p> <p><u>Roll Call:</u>            Marshall Ochylski, Absent            David Vogel, Director            Michael Wright, Director            Craig Baltimore, Vice President            Leonard Moothart, President</p> <p>The following Staff were present:            Margaret Falkner, Interim General Manager            Michael Seitz, Deputy District Counsel            Ampy Haber, District Accountant            Phill Veneris, Battalion Chief, Station 15-South Bay            Ann Kudart, Administrative Secretary</p>
<p><b>6. RECEIVE REPORT OUT OF CLOSED SESSION OF MARCH 7, 2013</b></p>	<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> <p>In regards to the Moylan Liability Claim, Interim General Manager Falkner reported that the matter was heard in Small Claims Court and a decision was received today in favor of the District.</p> <p>In regards to the Conference with Labor Negotiators, the Board discussed the current status but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p><b>7. INFORMATION ITEM</b>  <b>Los Osos Wastewater Project (LOWWP)</b></p>	<p>President Moothart gave a presentation pertaining to the LOWWP. The presentation provided contact information for Dig Los Osos and the San Luis Obispo Public Works Department; information on the District's website with links to current traffic updates; demonstrated the Los Osos Construction Locator, an interactive map to see current, upcoming and finished areas of work; and reminded the public to stay alert and safe in construction zones.</p> <p>Public Comment: Richard Margetson commented on inviting the County to attend District Board meetings as LOCAC meetings have limited run time on Channel 20.</p> <p>Linde Owen commented on \$7.6 million to HDR, the construction firm hired to handle construction management with \$1.55 million for public relations and feels they are getting paid for doing nothing.</p> <p>Julie Tacker commented on HDR's responsibility for customer relations and interaction with each homeowner; she commented on surprised property owners being told they need grinder pumps without prior notification; and commented on potable water being used for dust control.</p> <p>Tim Lytsell commented that many people do not know about Dig Los Osos and the need for a better outreach program.</p>
<p><b>8. GENERAL PUBLIC COMMENT</b></p>	<p>Steve Hamill announced a fundraiser to benefit the Morro Bay Community Pool Foundation on Saturday, March 16, 2013 at 6:00 p.m. at the historic Borradori Garage in Cayucos.</p> <p>Linde Owen thanked the Fire Department for their kindness and professionalism in working with handicapped individuals in the community. She commented on dust control and poor air quality due to the construction of the sewer project and would like the project stopped and step collection revisited.</p> <p>Julie Tacker commented on consultants and the ISJ and inquired as to when the Groundwater Management Plan will be released.</p> <p>Richard Margetson asked about restrictions of a lighted sign, with Dig Los Osos information running on it, be placed on LOVR and also on South Bay Boulevard. He commented on Supervisor Gibson's report at LOCAC.</p>
<p><b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b></p> <p><b>A. CAL FIRE Report</b></p> <p><b>B. Utilities Department Report</b></p> <p><b>C. LOCAC Report</b></p> <p><b>D. Emergency Services Advisory Committee Report</b></p>	<p>Battalion Chief Veneris reminded the public to turn clocks forward this weekend and at the same time change batteries in smoke and carbon dioxide detectors, and also practice escape fire drills with the family. He gave a brief update on the new Fire Engine procurement; Hazard Abatement in the Cabrillo area; and reported that this year, instead of a single Chipping Day Event, chipping crews will be working with the individual residents to chip onsite.</p> <p>He reported on the emergency activities with Station 15-South Bay responding to 108 calls in January 2013 and a total of 1,259 calls in 2012. He reported on the Administrative activities, training, special programs and projects, and fire prevention events throughout January 2013</p> <p>Interim General Manager Falkner reported on the operations of the Utilities Department for the month of January 2013, reporting on water production, consumption and revenues; she reported that crews cleared drainage inlets around town and performed grounds keeping at various drainage basins. She reported that the County is viewing the video of Bayridge and Vista de Oro collection systems and Utility crews continue monitoring and grounds keeping.</p> <p>LOCAC Vice Chairperson Paul Malykont reported on the February 28, 2013 meeting where they heard the County's report; reported the Audubon hearing was rescheduled to March 15, 2013; there were questions concerning the 2004 water data being used for Community Plan; the Supervisor's Report raised sufficient questions concerning traffic and dust issues during the sewer project construction; received the District's report; addressed the Sea Pines development's major modifications with the Council approving the project on a vote of 7-1-1; the Council discussed the Santa Ysabel Traffic Project; and discussed whether or not LOCAC should monitor the process of the Los Osos Wastewater Project.</p> <p>Director Wright reported on the February 26, 2013 Emergency Services Advisory Committee (ESAC) meeting. The Committee welcomed new Committee Member Dillingham; reviewed Fund 301 financials recommended Board approval; received an update of new fire truck procurement; reviewed 2013 goals and discussed ESAC mission statement; reviewed the Brown Act; discussed developments out of the Fire Focus Group; discussed the Habitat Conservation Plan to be reviewed at the next ESAC meeting; reviewed the District's letter in support of AB124. Next meeting will be held Tuesday, March 26, 2013.</p>

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<p><b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b></p> <p><b>E. Utilities Advisory Committee Report</b></p> <p><b>F. Finance Advisory Committee Report</b></p>	<p>Vice President Baltimore reported on the February 13, 2013 Utilities Advisory Committee (UAC) meeting. He reported to the Committee that the Board, as requested by the UAC, directed Staff to monitor the County's drainage activities; the Committee welcomed all the 2013 members and received a brief review of Brown Act Guidelines; discussed a review process of Capital Improvement Projects; prioritized the 2013 UAC goals. The next meeting of the UAC will be held Wednesday, March 13, 2013.</p> <p>President Moothart reported on the February 13, 2013 Finance Advisory Committee (FAC) meeting. The Committee approved the FAC minutes of February 5, 2013; reviewed the warrants and financials recommending the Board accept; recommended the Board approve a budget adjustment to legal services in the Wastewater fund; recommended the Board award the contract for three year audit services to Moss, Levy &amp; Hartzheim; recommended the Board approve reinvesting the Public Facilities Fees into a CD with Rabobank; recommended the Board approve the contract for County PEG grant funding; and the Committee will continue discussion of the cost allocation process. The next meeting of the FAC will be held Monday, April 15, 2013.</p>
<p><b>10. PUBLIC COMMENT FOR ITEMS ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</b></p> <p><b>11. CONSENT CALENDAR</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Minutes of February 7, 2013</b></p> <p><b>C. Receive Warrant Register for February 2013</b></p> <p><b>D. Receive Financial Statements for Period Ending January 2013, and Cash and Investment Schedules and Reserves Schedule as of January 13, 2013</b></p> <p><b>E. Approve Increase in Appropriation for Legal Services in the Wastewater Fund 600</b></p> <p><b>F. Award Contract for Audit Services for Fiscal Years 2012/2013 to 2014/2015</b></p> <p><b>G. Approve Reinvestment of Public Facilities Fees and Affirm Signatories to Account</b></p> <p><b>H. 2013 Standing Advisory Committee Direction</b></p> <p><b>I. Approve Letter of Support Regarding Assembly Bill 124</b></p> <p><b>J. Approve the Agreement for SLO County PEG Grant Funding</b></p>	<p>Public Comment: Julie Tacker commented on the warrants for Shipsey &amp; Seitz being higher than usual and asked if any portion was being covered by the Bankruptcy funds; she requested an update on the Bankruptcy in the near future.</p> <p>Richard Margetson commented that the increased billing for legal was discussed at FAC with a large portion of that billing addressed issues with the previous General Manager; he commented that UAC discussed the Capital Improvement Projects in relation to the Water Rate Subcommittee and future increases and the effects in the reduction in revenue.</p> <p><b>Director Vogel 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:</b></p> <p><b>Ayes: Directors Vogel, Baltimore, Wright, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Ochylski</b></p>
<p><b>12. GENERAL ACTION ITEMS</b></p> <p><b>A. Dispute of General Manager's Determination for Additional Relief of Water Leak Adjustment</b></p>	<p>Interim General Manager Falkner reported that Ms. Seligson contacted the District in regards to a high water bill in January. The District provided a leak adjustment credit of \$424.55 and the customer is seeking additional relief.</p> <p>Patrick Failey addressed the Board stating Ms. Seligson contacted him, as he had done an extensive remodel to her home, about her high water bill. A sizeable leak was found due to a failed plumbing fitting and minor leaks to the drip irrigation. These have been repaired.</p>

AGENDA ITEM	DISCUSSION
<p><b>12. GENERAL ACTION ITEMS</b></p> <p><b>A. Dispute of General Manager's Determination for Additional Relief of Water Leak Adjustment (continued)</b></p>	<p>During Public Comment: Linde Owen commented that water is very expensive and we need to make good use of it.</p> <p><b>Director Vogel made a motion to allow an additional credit of \$5.82. The motion was seconded by Vice President Baltimore and carried with the following vote:</b></p> <p><b>Ayes: Directors Vogel, Baltimore, Moothart</b>  <b>Nays: Wright</b>  <b>Abstain: None</b>  <b>Absent: Ochylski</b></p>
<p><b>B. Ratify Appointment of Alternate Public Members for District Standing Advisory Committees</b></p>	<p>Administrative Secretary Kudart reported that the District has received three applications since the appointment of Standing Advisory Committee members. Each of the committees currently has five voting members and these applicants would be considered as Alternate Members.</p> <p>There was no Public Comment.</p> <p>President Moothart appointed Paul Malykont to the Finance Advisory Committee and David Doust to the Emergency Services Committee as Alternate Members.</p> <p><b>Director Vogel made a motion to confirm President Moothart's appointments of Alternate Member David Doust to the Emergency Services Advisory Committee and Alternate Member Paul Malykont to the Finance Advisory Committee. The motion was seconded by Director Wright and passed unanimously.</b></p>
<p><b>C. Nominate Local Agency Formation Commission (LAFCO) Regular Special District Member</b></p>	<p>Interim General Manager Falkner reported that there is a vacancy for a Regular Special District Member position on LAFCO that is currently held by Alternate LAFCO Commissioner Marshall Ochylski who has indicated he would like to be nominated.</p> <p>Public Comment: Richard Margetson commented that issues pertaining to the District that come before LAFCO then Director Ochylski would have to recuse himself.</p> <p>Linde Owen commented that she'd like to see a fresh face on LAFCO.</p> <p><b>Director Wright moved that the Board direct the General Manager to submit a nomination for Marshall Ochylski as a Regular Special District Member to LAFCO. The motion was seconded by Vice President Baltimore and carried with the following vote:</b></p> <p><b>Ayes: Directors Wright, Baltimore, Vogel, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Ochylski</b></p>
<p><b>13. FUTURE AGENDA ITEMS</b></p>	<p>President Moothart announced that the April 4, 2013 Regular Board of Directors meeting has been canceled and rescheduled for April 18, 2013.</p>
<p><b>14. CLOSING BOARD COMMENTS</b></p>	<p>Director Vogel thanked the members of the public for attending tonight's meeting and would like to see Dig Los Osos have a more visible presence in the community. He requested the District continue to invite them to Board meetings.</p> <p>Director Wright reminded the public to drive safely through the construction zones, especially at night; encouraged the public to report illegal hydrant hookups; and agrees with continuing to extend an invitation to Dig Los Osos to attend our meetings.</p> <p>Vice President Baltimore thanked the public for their continued comments; encouraged Dig Los Osos to be more visible; and reminded the public of the upcoming fundraiser to benefit the Morro Bay Community Pool Foundation</p> <p>President Moothart announced the upcoming Rotary Annual Scholarship Dinner at 10<sup>th</sup> Street Grill on March 11, 2013. Thanked the public for their participation at meetings.</p>
<p><b>ADJOURNMENT</b></p>	<p>The Board adjourned to Closed Session at 9:17 p.m.</p>