

**Los Osos Community Services District  
Board of Directors  
Minutes of the Regular Meeting of January 3, 2013**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>CALL TO ORDER/FLAG SALUTE/ROLL CALL</b></p>	<p>President Ochylski called the Closed Session Meeting to order at 6:04 p.m. and led the flag salute.</p> <p>Roll Call:            Craig Baltimore, Director – Arrived at 6:40 p.m.            David Vogel, Director - Present            Michael Wright, Director - Present            Leonard Moothart, Vice President - Present            Marshall Ochylski, President - Present</p> <p>The following staff were present:            Michael Seitz, Deputy District Counsel            Ann Kudart, Clerk to the Board</p>
<p><b>ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</b></p>	<p>President Ochylski 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>PERSONNEL (Government Code §54957)</u>            1. District General Manager Evaluation            2. Conference with Labor Negotiator                – District Negotiators, Susan Morrow, General Manager and Mike Seitz, District Counsel                – Employee Organization: San Luis Obispo County Employees Associations</p> <p>Public Comment – None.</p> <p>The Board adjourned to Closed Session at 6:06 p.m.</p>
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>The Board reconvened to Open Session at 7:08 p.m.</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:            Michael Seitz, Deputy District Counsel            Ann Kudart, Clerk to the Board            Ampy Haber, District Accountant            Margaret Falkner, Utility Systems Coordinator            Phill Veneris, Battalion Chief, Station 15-South Bay</p>
<p><b>RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:08 p.m.</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:            Michael Seitz, Deputy District Counsel            Ann Kudart, Clerk to the Board            Ampy Haber, District Accountant            Margaret Falkner, Utility Systems Coordinator            Phill Veneris, Battalion Chief, Station 15-South Bay</p>
<p><b>1. RECEIVE REPORT OUT OF CLOSED SESSION OF JANUARY 3, 2013</b></p>	<p>Deputy District Counsel Seitz reported that the Board heard updates on the Pending Litigation cases but took no reportable action.</p> <p>In regards to the General Manager Evaluation, the Board took action to terminate General Manager Susan Morrow, without cause. The Board appointed Utility Systems Coordinator Margaret Falkner as Acting General Manager for up to one month.</p> <p>In regards to the Conference with Labor Negotiator, the Board took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p><b>2. PRESENTATION</b>  <b>Safety Tips for Public</b>  <b>Around Sewer Construction</b>  <b>Activities and Station 15-</b>  <b>South Bay Emergency</b>  <b>Response During</b>  <b>Construction</b></p>	<p>Battalion Chief Veneris presented safety tips around sewer construction activities and emergency responses during construction. The Chief talked about public awareness, blind spots present in heavy machinery, safety when driving in construction zones, and the need for extra supervision of children around construction areas and equipment. He reported on Trench Specialists training and Station 15-South Bay's trench rescue prop. Battalion Chief Veneris provided contact information should anyone have construction related questions or emergency response related questions.</p>
<p><b>3. GENERAL PUBLIC</b>  <b>COMMENT</b></p>	<p>Richard Margetson gave an update on the 2012 Needs and Wishes Fundraiser which was very successful and the Salvation Army Bell Ringers which raised over \$12,000 for the Los Osos, Morro Bay and Cayucos communities.</p> <p>Linde Owen thanked Battalion Chief Veneris for the safety presentation; commented on the need for more information concerning construction management and public relations for the sewer project; she commented on the termination of the General Manager; and voiced her concern that the Mid-Town amenities are being charged on the sewer bill.</p> <p>Julie Tacker thanked Battalion Chief Veneris for his presentation; commented on the need for an update from the County and Dig Los Osos on the Wastewater Project's successes and challenges to date. She commented that the Giacomazzi property has not yet been purchased; and she commented that the County's contract for the sale of recycled water provides no seawater intrusion benefits for our basin.</p> <p>Richard Margetson commented on the County's contract for the sale of recycled water. He announced a celebration of Dorothy Norwood's life to be held on Sunday, January 13, 2013 from 2:00 p.m. to 4:00 p.m. at the Community Center.</p> <p>President Ochylski recommended a Wastewater Project Update be presented at a future joint meeting of the District and Los Osos Community Advisory Council (LOCAC).</p>
<p><b>4. ADMINISTRATIVE AND</b>  <b>COMMITTEE REPORTS</b></p> <p><b>4.A1 CAL FIRE Report</b></p> <p><b>4.A2 Utilities Report</b></p> <p><b>4.A3 Administrative Report</b></p> <p><b>B. Standing Advisory</b>  <b>Committee Reports</b></p> <p><b>C. Directors Reports on</b>  <b>Attendance at Other Agency</b>  <b>Committee Meetings</b></p>	<p>Battalion Chief Veneris reported on the November 2012 emergency activities with Station 15-South Bay responding to 129 calls. He reported that Administrative Assistant Amy Jones accepted a position with Five Cities Fire Authority and Driver/Operator Mark Bailey submitted his resignation as he is now a permanent Fire Apparatus Engineer assigned to Station 42-California Valley. He reported on training activities, special programs and projects, and Parent Participation tours.</p> <p>Acting General Manager Falkner reported on the operations of the Utilities Department for the month of November 2012, reporting on water production, consumption and revenues; she reported that the crew has been keeping up with the underground service alerts required for the LOWWP; that the crew took the Ford F-350 Utility vehicle to Fresno for repairs; and she commented on her concerns with the upcoming adoption of the Municipal Stormwater Permit and the effects on the District's drainage budget.</p> <p>President Ochylski read the Administrative Report as submitted in the agenda packet reporting on the truck repairs, utility billing, grant opportunities and upcoming meetings and events in 2013. President Ochylski reported that the Strategic Planning Meeting scheduled for Saturday, January 26, 2013 had been canceled.</p> <p>None.</p> <p>None.</p>
<p><b>5. CONSENT CALENDAR</b></p> <p><b>A. Receive Administrative</b>  <b>and Committee Reports</b></p> <p><b>B. Approve Minutes of</b>  <b>December 13, 2012</b></p> <p><b>C. Receive Warrant</b>  <b>Register for December 2012</b></p>	<p>Before hearing Public Comment on the Administrative and Committee Reports and the Consent Calendar, President Ochylski read into the record an email to the Board from Leslie Bowker requesting his December 13, 2012 General Public Comments be corrected to read: "...the <u>inequity</u> of one area paying more for fire protection and..."</p> <p>President Ochylski read the following comment from Mr. Bowker into the record: "The Los Osos CSD is the only governmental entity that speaks for the citizens of Los Osos. The essence of my comments was and still is to request that the Board discuss and take action on the "Fire Prevention Fee".</p> <p>President Ochylski recommended that this item be brought to the ESAC for discussion.</p>

AGENDA ITEM	DISCUSSION
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<p><b>D. Financial Statements for Period Ending November 2012, Cash and Investment Schedules and Reserves Schedule as of November 30, 2012</b></p> <p><b>E. Approve Budget Adjustment to Fund 6000 Wastewater</b></p> <p><b>F. Authorize Issuance of Request for Proposals (RFP) for District Audit Services</b></p> <p><b>G. ITRON Data Collection Device Purchases</b></p>	<p>Public Comment: Linde Owen commented on the importance of District attendance at the Water Resource Advisory Committee (WRAC) meetings; and commented on the inequities of the fire tax and the sewer.</p> <p>Julie Tacker inquired as to why the payment to District Legal Counsel Shipsey and Seitz was higher than normal; she commented on the recent WRAC meeting in which the Committee observed a moment of silence in memory of Gwynn Taylor; and commented on WRAC's review of the Resource Management Study to be adopted next month.</p> <p>Lynette Torntazky commented that the audio of the WRAC meetings are posted on their website.</p> <p>Richard Margetson commented on Vice President Moothart remaining as a District representative to WRAC; commented on Item 5E inquiring as to how the bank can back charge the District on a mistake the bank made; and would like to see the Solid Waste rate increase discussed at the next FAC meeting.</p> <p>Vice President Moothart recommended Director Vogel as the second District representative at WRAC meetings.</p> <p>President Ochylski appointed Vice President Moothart, Director Vogel and Acting General Manager Falkner to an Ad Hoc committee to review the Resource Management Study and bring comments to UAC or the Board to be forwarded to WRAC.</p> <p><b>Director Wright made a motion to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar as amended. The motion was seconded by Vice President Moothart and carried with the following vote:</b></p> <p><b>Ayes: Directors Wright, Moothart, Baltimore, Vogel, Ochylski</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>6. ELECTION OF BOARD OFFICERS FOR 2013</b></p>	<p>President Ochylski nominated Vice President Moothart as President.</p> <p>Seeing no other nominations, the floor was opened to public comment. Linde Owen voiced her approval of Vice President Moothart as Board President.</p> <p>Vice President Moothart was elected President of the Board by acclamation.</p> <p>President Moothart nominated Director Baltimore as Vice President.</p> <p>Seeing no other nominations, the floor was opened to public comment. Julie Tacker commented that she would like to see Director Vogel considered for Vice President.</p> <p>Director Baltimore nominated Director Vogel as Vice President.</p> <p>The Board voted by ballot and District Counsel Seitz announced that on a 5-0 vote Director Baltimore was elected as Vice President of the Board.</p> <p>President Moothart appointed Director Wright as Chairperson and Director Ochylski as Co-Chairperson of the Emergency Services Advisory Committee.</p> <p>President Moothart appointed Director Ochylski as Chairperson and himself as Co-Chairperson of the Finance Advisory Committee.</p> <p>President Moothart appointed Vice President Baltimore as Chairperson and Director Vogel as Co-Chairperson of the Utilities Advisory Committee.</p> <p>President Moothart appointed Director Wright as District representative to the Fire Focus Group; Director Ochylski as District representative to the ISJ, MBNEP, and Bankruptcy Court; and appointed Director Vogel and Acting General Manager Falkner to WRAC.</p>

AGENDA ITEM	DISCUSSION
<p><b>7. GENERAL ACTION ITEMS</b></p> <p><b>A. Annual Review of Board Bylaws and Rules of Decorum</b></p>	<p>President Moothart reported that the current Bylaws and Rules of Decorum reviewed at the first meeting of the year for adoption at the next Board meeting and at this time there have been no changes received from any Board members.</p> <p>Public Comment: Julie Tacker commented that the rule for abstention in the District's Bylaws means "no" and would like to see the Board revisit abstentions to make it more uniform with other agencies and that they should follow through with the District's Advisory Committees.</p> <p>Legal Counsel Seitz reported that Section 2.9(d) of the current Bylaws states that abstentions are an affirmative vote.</p> <p><b>Director Ochylski moved that Staff prepare a Resolution bringing forth the current Bylaws and Rules of Decorum for approval at the February meeting of the Board of Directors. The motion was seconded by Director Vogel Moothart and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Vogel, Wright, Baltimore, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>B. Vote for Local Agency Formation Commission (LAFCO) Special District Member</b></p>	<p>Public Comment: Richard Margetson commented on Cambria CSD Board Member Muril Clift and approves of his proactive positions on water and community issues.</p> <p><b>Director Ochylski made a motion that the Board direct Staff to submit a vote for Muril Clift as Special District Member to LAFCO. The motion was seconded by Director Vogel and carried with the following vote:</b></p> <p><b>Ayes: Directors Ochylski, Vogel, Wright, Baltimore, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>CLOSING BOARD COMMENTS</b></p>	<p>Director Vogel commented on the loss of Gewynn Taylor and to honor her by keeping the issues she fought for in the forefront.</p> <p>Vice President Baltimore commented on the four bell ringers from Morro Bay High School that participated with him in raising funds for the Salvation Army during Christmastime.</p> <p>Director Ochylski thanked the Board and the community for their support while he was Board President; he encouraged the public to apply for the District's Advisory Committees; and congratulated President Moothart on his election.</p> <p>President Moothart thanked the Board for their confidence and offered a special appreciation to District Staff both in the office and out in the field.</p>
<p><b>ADJOURNMENT</b></p>	<p>The Board adjourned to Closed Session at 8:35 p.m.</p>