



November 18, 2015

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 12/3/2015 Board Meeting**
Approve Meeting Minutes of November 5, 2015

President
R. Michael Wright

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Jon-Erik G. Storm
Louis G. Tornatzky

General Manager
Kathy A. Kivley

District Accountant
Michael L. Doyel

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

DESCRIPTION

Approve meeting minutes of November 5, 2015 Board of Directors meetings.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached minutes.

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 November 5, 2015 meeting minutes.

Attachments

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.lososocsd.org

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of November 5, 2015**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>Vice President Wright called the meeting to order at 6:00 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Arrived 6:03 p.m. Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Arrived at 6:05 p.m. Mike Wright, President – Present</p> <p>The following Staff were present: Kathy Kivley, 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>District Legal Counsel Seitz announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>EXISTING LITIGATION (Government Code, §54956.9(d) (1))</u> Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated): - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV040126 (San Luis Obispo Superior Court) - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division</p> <p>B. <u>ANTICIPATED LITIGATION (Government Code §54956.9(b))</u> Conference with Legal Counsel Regarding Anticipated Litigation (3 cases)</p> <p>C. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> - Conference with Real Property Negotiator Properties: 2030 10th Street, Los Osos, CA and 2122 9th Street, Los Osos, CA District Negotiator: Kathy A. Kivley, General Manager Negotiating Party: Thomas R. Kellaway and George Contento, Property Owners Issue: Provide instructions to Negotiator</p>
<p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>Public Comment – Peggy Pavek, Julie Tacker, and Sandra Hedges voiced their opposition of Item 2C. Lynette Tornatzky voiced her approval.</p> <p>The Board adjourned to Closed Session at 6:11 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:10 p.m. and Director Tornatzky led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Jon-Eric Storm, Director – Present Lou Tornatzky, Director – Present Marshall Ochylski, Vice President – Present Mike Wright, President – Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Mike Seitz, District Legal Counsel Phill Veneris, Battalion Chief Mike Doyel, District Accountant Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant III</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>Legal Counsel Seitz reported that in regards to Closed Session Item 2A, the Board had a discussion on the bankruptcy and the ISJ but took no reportable action; in regards to Item 2B the Board heard a report on three separate matters but took no reportable action; and in regards to Item 2C the Board heard a report from the District Negotiator, gave direction to the District Negotiator but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p>7. PRESENTATION A. League of Women Voters Civility Project Report</p>	<p>Marguerite Bader, President League of Women Voters San Luis Obispo discussed the role of the League and Sharon Kimball, First Vice President and Director of Civil Discourse gave an informative presentation on civility and Methods of Civil Discourse in the Public Arena.</p> <p>Public Comment - Linde Owen, Julie Tacker, Al Barrow, Lynette Tornatzky, Sandra Hedges, and Gretchen Clarke spoke</p> <p>A motion was made by Vice President Ochylski to adopt Resolution 2015-29 pledging the District to follow best practices of civility and civil discourse in all of its meetings. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Tornatzky, Cesena, Storm, Wright Nays: None Abstain: None Absent: None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Al Barrow commented on the powers of the Basin Management Committee.</p> <p>Peggy Pavek commented on the need to reduce the interest rate on the SRF loan and the increase to the assessment on the Tri-W site.</p> <p>Keith Wimer commented on the Basin Management Plan and saltwater intrusion problem.</p> <p>Julie Tacker commented on the \$12 bond administrative charge and supports monthly committee meetings.</p> <p>Linde Owen commented on her lack of support for the General Manager and supports her termination.</p> <p>Richard Margetson commented on the retirement of Battalion Chief Veneris and his invaluable service to the community.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. General Manager's Report</p> <p>D. District Legal Counsel Report</p> <p>E. Los Osos Community Advisory Council (LOCAC)</p>	<p>Battalion Chief Veneris discussed winter safety and reported on emergency activities, administrative issues, special programs and projects, and fire prevention during the months of August and September 2015 as submitted in the agenda packet.</p> <p>Vice President Ochylski left the dais.</p> <p>Utility Compliance Technician Falkner reported on the August and September 2015 activities of the Utilities Department as submitted in the agenda packet.</p> <p>General Manager Kivley reported that payroll and accounts payable were completed in a timely manner; worked with staff on Human Resource related items and functions; made adjustments for various personnel-related matters; processed insurance and retirement adjustments to software; prepared information and attended advisory committees and Board meetings; completed additional information requested by Debt Advisory Committee for Bayridge loan; reviewed and gathered data for various legal claims; reviewed and forwarded to legal counsel numerous public records requests; attended CSDA and Cuesta College meetings; worked with staff preparing for auditors visit; worked on the approved Stipulated Judgement and update on Basin Management Plan presentation; attended court proceeding ending Stipulated Judgement proceedings; and finalized the adopted FY 15/16 budget.</p> <p>Vice President Ochylski returned to the dais.</p> <p>Legal Counsel Seitz reported that Judge Tangeman executed the order ending the Stipulated Judgement. He reported that the Basin Management Committee will hold its first meeting in December, that it is a Brown Act organization, that it will be regularly agendized, and he encouraged the public to participate and attend the meetings. He further reported that the committee's power is to implement the Basin Plan.</p> <p>Vicki Milledge, LOCAC Chairperson, reported that the major order of business at the October 22, 2015 meeting was the proposed Minor Use Permit for removal of 32 large eucalyptus trees behind the middle school.</p>

AGENDA ITEM	DISCUSSION
<p>F. Los Osos/Baywood Park Chamber of Commerce</p>	<p>Steve Vinson, Chamber of Commerce President, reported on the October 25th Oktoberfest and Car Show; Small Business Saturday to be held November 28th; and the Annual Christmas Parade on December 12th.</p>
<p>G. Emergency Services Advisory Committee</p>	<p>Vice President Ochylski reported that at the October 20, 2015 meeting the committee discussed the financials and Fund 301 balances and items for discussion in 2016. He reported that the committee recommended a possible 26 items to be discussed in 2016. ESAC requested Board approval to hold a special meeting. President Wright put forth the request, asked for Board consensus and seeing no objection approved the November 18, 2015 ESAC Special meeting.</p>
<p>H. Utilities Advisory Committee</p>	<p>Director Tornatzky reported that at the October 14, 2015 meeting the committee discussed the surplus utility vehicle recommending Board approval; heard Utilities Department updates; discussed the Nexus greywater recycling; and items for discussion in 2016. The committee requested Board approval to hold a special meeting. President Wright put forth the request, asked for Board consensus and seeing no objection approved the December 9, 2015 UAC Special meeting.</p>
<p>I. Finance Advisory Committee</p>	<p>Director Storm reported that at the November 2, 2015 meeting the committee discussed the warrants and revenues recommending Board approval; the committee recommended approval of the Investment Policy as long as it allows the District to diversify District holdings and protect capital from inflation; did not recommend approval of the Reserve Policy until updated to reflect the pending elimination of Solid Waste Reserve; recommended staff confer with Rabobank as to whether having all of our funds there leaves uninsured; reviewed updated detailed descriptions of the Audit findings. The committee requested Board approval to hold a special meeting. President Wright put forth the request, asked for Board consensus and seeing no objection approved the December 7, 2015 FAC Special meeting.</p>
<p>J. Parks and Recreation Subcommittee Report</p>	<p>Director Storm reported that the Parks and Recreation Subcommittee will meet one more time in order to discuss a proposal to establish an advisory committee.</p>
<p>K. South Bay Community Center Ad Hoc Committee Report</p>	<p>Vice President Ochylski reported that he and President Wright met with members of the Community Center. The Committee recommended that the District hold Board meetings at the Community Center beginning in January. President Wright put forth the recommendation to begin holding meetings at the Community Center and the request to air the Needs and Wishes event live, asked for Board consensus and seeing no objection approved the recommendations.</p>
<p>L. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Trainings, etc.</p>	<p>Vice President Ochylski reported on the monthly CSDA Chapter meeting.</p> <p>Director Cesena reported on his attendance at the CAPSLO meeting.</p> <p>Director Tornatzky reported on his attendance at the WRAC meeting.</p>
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Director Cesena requested Consent Items 11D, 11F, and 11G be pulled. President Wright pulled the items to be heard separately.</p> <p>Public Comment – Al Barrow, Julie Tacker, Peggy Pavek, Lynette Tornatzky, Sandra Hedges, and Richard Margetson spoke.</p>
<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of September 1, 2015, September 3, 2015 and October 12, 2015 C. Receive Warrant Register of September 2015 and October 2015 D. Receive Statement of Revenue and Expenditure through September 30, 2015 E. Declare Utility Vehicle Surplus to District Needs and Approve Sale of Vehicle</p>	<p>A motion was made by Vice President to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar except Items 11D, 11F, and 11G. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Storm, Cesena, Tornatzky, Wright Nays: None Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>11. CONSENT AGENDA (continued) F. Authorize Destruction or Disposal of Certain District Records, Documents and Papers G. Detailed Description of Findings for Fiscal Year 2013/2014</p>	
<p>12. GENERAL ACTION ITEMS A. Award Bid for 16th Street Tanks Maintenance Coating Spot Repairs</p>	<p>Utility Compliance Technician Falkner and Will Bellis of Advantage Technical Services gave a summary of the project as submitted with the staff report.</p> <p>Public Comment – Lynette Tornatzky spoke.</p> <p>A motion was made by Director Storm that the Board award the maintenance coating spot repairs contract to Paso Robles Tank for an amount not to exceed \$37,462.50 for the 16th Street water tanks. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Storm, Tornatzky, Cesena, Ochylski, Wright Nays: None Abstain: None Absent: None</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS 11D. Receive Statement of Revenue and Expenditure through September 30, 2015</p>	<p>Director Cesena commented on the reserve statement and discrepancies in the Fire Fund Line Item 3110 Vehicle Replacement Reserve.</p> <p>Public Comment – Al Barrow, Richard Margetson, Julie Tacker, Linde Owen, Lynette Tornatzky, and Sandra Hedges spoke.</p> <p>A motion was made by Director Storm that the Board not receive and file the report at this time and that staff return with an accurate report. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Storm, Cesena, Ochylski, Wright Nays: Tornatzky Abstain: None Absent: None</p>
<p>F. Authorize Destruction or Disposal of Certain District Records, Documents and Papers</p>	<p>Director Cesena commented that given the current climate he is uncomfortable with the destruction of any records at this time.</p> <p>Public Comment – Linde Owen, Peggy Pavek, Julie Tacker, Al Barrow, Sandra Hedges, Lynette Tornatzky, and Richard Margetson spoke.</p> <p>A motion was made by Director Cesena to extend the meeting past 10:00 p.m. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Cesena, Storm, Tornatzky, Ochylski, Wright Nays: None Abstain: None Absent: None</p> <p>A motion was made by Vice President Ochylski to continue Resolution 2015-28. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Storm, Cesena, Tornatzky, Wright Nays: None Abstain: None Absent: None</p> <p>Vice President Ochylski requested direction be provided to staff that there be a policy review of the Records Management procedures. President Wright asked for Board consensus and seeing no objection directed that there be a review at the next Board meeting.</p>

AGENDA ITEM	DISCUSSION
<p>13. DISCUSSION OF PULLED CONSENT ITEMS (Continued) G. Detailed Description of Findings for Fiscal Year 2013/2014</p>	<p>Director Cesena voiced his concerns that previous staff were specifically named and that he would like to see the names removed.</p> <p>Public Comment – Lynette Tornatzky, Peggy Pavek, Linde Owen, Julie Tacker, Al Barrow, Richard Margetson, and Jan Harper spoke.</p> <p>A motion was made by Director Tornatzky to receive and file the report after the names of the past accountants are redacted. The motion was seconded by Director Storm and carried with the following vote:</p> <p>Ayes: Directors Tornatzky, Storm, Wright Nays: Cesena Abstain: Ochylski Absent: None</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Future agenda items to include: the 2015/2016 Mid-Year Budget review and a Records Management procedures policy review.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Storm supported the League of Women Voters presentation and the need to take the finances seriously. He wished everyone a Happy Thanksgiving.</p> <p>Director Cesena approved of monthly committee meetings and thanks everyone who shows up and cares.</p> <p>Director Tornatzky commented that the League of Women Voters presentation was inspiring.</p> <p>Vice President Ochylski found the presentation by the League of Women Voters was very good and that everyone can learn from and thanked everyone for coming to the meeting.</p> <p>President Wright supported the presentation by the League of Women Voters and commented on the retirement of Battalion Chief Veneris.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 10:41 p.m.</p>