




May 28, 2019

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative Services Manager 
SUBJECT: **Agenda Item 11B – 6/6/2019 Board Meeting**
Approve Prior Meeting Minutes

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Huang

DESCRIPTION

Attached are the minutes of the Board of Directors meetings held May 2, 2019 and May 6, 2019 your approval.

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 meetings held May 2, 2019 and May 6, 2019.

Attachment

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**Los Osos Community Services District
DRAFT Minutes of the Regular Meeting of May 2, 2019**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/SILENT OBSERVANCE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 5:32 p.m., led the flag salute and asked for a moment of silent observance.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Vicki Milledge, Director – Present Christine Womack, Director – Present Chuck Cesena, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following staff was present: Renee Osborne, General Manager Roy Hanley, District Counsel Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>
<p>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>Legal Counsel Hanley announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>CONFERENCE WITH LABOR NEGOTIATORS [Government Code §54957.6]</u> Agency designated representatives: General Manager Osborne, Utility Systems Manager Acosta, District Counsel Roy Hanley Employee designated representative: San Luis Obispo County Employees' Association (SLOCEA)</p> <p>B. <u>PUBLIC EMPLOYMENT [Government Code §54957 (b)(1)]</u> Title: District Legal Counsel</p> <p>C. <u>PUBLIC EMPLOYMENT [Government Code §54957 (b)(1)]</u> Title: General Manager</p> <p>Public Comment – Julie Tacker commented on her letter to the Board of April 30, 2019 regarding the General Manager's performance and requesting the Board to consider finding new management.</p> <p>The Board adjourned to Closed Session at 5:37 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p> <p>6. REPORT OUT OF CLOSED SESSION MEETING</p>	<p>The Board reconvened to Open Session at 7:14 p.m.</p> <p>President Ochylski announced that the Board would go back into Closed Session at the end of the meeting.</p> <p>President Ochylski led the flag salute and asked for a roll call.</p> <p>Matthew Fourcroy, Director Vicki Milledge, Director Christine Womack, Director Charles Cesena, Vice President Marshall Ochylski, President</p> <p>The following staff was present: Renee Osborne, General Manager Roy Hanley, District Counsel George Huang, Battalion Chief Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p> <p>President Ochylski asked for a moment of silence in honor of the passing of Bruce Pickens, a past South Bay-Station 15 Chief, and that the Board would have an acknowledgement for him at their next meeting.</p>
<p>7. PRESENTATIONS</p>	<p>None</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Richard Margetson reported that the Water Rate Group would be providing a presentation to the Board at their June 6, 2019 meeting regarding potential changes to District water rates and water rate structure.</p>

AGENDA ITEM	DISCUSSION
9. ADMINISTRATIVE AND COMMITTEE REPORTS	Chief Huang provided a summary of the Chief's Report for March 19 th through April 21 st , including 81 medical aids, one surf rescue and four traffic collisions, zero incidents were reported as fire, six as hazardous, 18 as public service assists, and, six as false alarms. He reported on the ongoing local business annual safety inspections and on various special programs and projects and training.
A. Fire Department Report	
B. Sheriff Department Report	None.
C. Utilities Department Report	Utility Systems Manager Acosta provided a summary of the March 2019 activities of the Utilities Department as submitted in the agenda packet, reporting that residential water usage was 50.24 gallons per person per day, a decrease from 52.8 gallons this same time last year. He reported on the production and runtime hours by well site, water billing information, Utilities Department operations and maintenance including water quality sampling, analysis and reporting for all well sites, monthly meter reading, compiling of costs analysis information, dead-end blow offs, continued residential meter replacements, attended electrical safety training courses, and continuing grounds keeping at District sites.
D. General Manager Report	General Manager Osborne provided a summary of the GM's activities for April 2019 as submitted with the agenda packet reporting that staff has been working on the draft 2019/2020 Budget; that negotiations with SLOCEA continue; that the bookkeeper and auditor are working on adjustments needed to amend the District's financials to reflect the refinancing of the wastewater bonds. Ms. Osborne provided updates regarding the 8 th Street grant, the Low Income Assistance Fund, the water conservation campaign, and the District's rebate program.
E. Los Osos Community Advisory Council Report	LOCAC Secretary Lynette Tornatzky reported on the April 25 th meeting in which the Council discussed the 1 st Street Project; the Habitat Conservation Plan with a possible July release to the Federal Register; water credits; Greening Los Osos, a newly established group; and, upcoming meetings including the Land Use Committee on May 6 th , Tree and Landscape Committee on May 13 th , Traffic and Circulation Committee on May 20 th , and LOCAC on May 23 rd at 7:00 p.m.
F. Los Osos/Baywood Park Chamber of Commerce Report	Chamber of Commerce Secretary Lynette Tornatzky reported on the cooperative water conservation campaign and upcoming Water Conservation Fair on June 23 rd ; the upcoming May 30 th Festival of Flavor from 5:30pm-7:30pm at South Bay Community Center with local restaurants; that the new Director will be coming out soon; that the Business of the Month was Carstairs Energy; and, that the Community Christmas Tree Lighting event will be moved from the street to the patio of the Red Barn.
G. Los Osos Focus Group of the Fire Safe Council Report	Tom Wright reported that the group is working on a draft policy regarding eucalyptus trees; that progress has been made in the Morro Dunes Ecological Reserve; that the community chipping event will now be held every two years with chipping focused this year in the State Responsibilities Areas; and, that the next meeting will be held May 16 th and ESAC will meet on May 23 rd at the Station.
H. Utilities Advisory Committee Report	<p>Committee Chairperson Cesena provided a summary of the March 20th UAC meeting in which President Ochylski provided the annual Brown Act Guidelines training; UAC heard a Basin Management Committee meeting update; heard a Utilities Department update; discussion regarding the Water Shortage Contingency Plan and Title 2 language updates; reviewed the Capital Improvements List; and, reviewed the draft budgets.</p> <p>Chairperson Cesena also provided a summary of the April 17th UAC meeting in which the Committee approved the minutes; heard an update regarding the Utilities Department; discussed the Water Conservation Rebate Program; heard an update regarding the Capital Improvement Projects list and directed staff to continue to refine the list to be presented with the 19/20 budget; reviewed the draft budgets for Water and Drainage and recommended that the property tax allocations and the scheduled water rate increase issues be resolved and brought back to the Committee for final review.</p>
I. Finance Advisory Committee Report	Committee Chairperson Ochylski provided a summary of the April 29 th FAC meeting in which the Committee recommended approval of the warrant register and the financials for the periods ending February 28, 2019 and March 31, 2019; reviewed and discussed the draft budget for Fire Fund 301 and Admin Fund 100; that Items E and G were continued; and, heard an update regarding the Low Income Assistant Fund. The next FAC meeting will be held June 3 rd .
J. Joint Finance and Utilities Advisory Committees Report	FAC Committee Chairperson Ochylski reported that the Committees heard a presentation regarding potential changes to District water rates and water rate structure from the Water Rate Group.

AGENDA ITEM	DISCUSSION
<p>K. Directors' Announcements of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p> <p>O. Response to Previously Asked Questions</p> <p>B. Sheriff Department Report</p>	<p>None.</p> <p>None.</p> <p>At this point in the meeting Deputy Gersh, who had earlier been on a call for service, arrived and provided a report regarding the activities during the month of April 2019 reporting that the Sheriff's Coast Station responded to 493 calls for service, down 6% from this time last year, which included three calls for assault and battery, 38 calls regarding disturbing the peace, seven calls regarding burglary, eight calls for theft, 6 calls regarding phone scams, and 16 calls in regard for suspicious circumstances. He reported the calls for service in surrounding areas including 143 in Avila Beach, 162 in Cayucos, 292 in Cambria, and 59 in San Simeon.</p>
<p>10. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA</p>	<p>President Ochylski pulled Consent Items 11E and 11G to be brought back at the June 6th meeting.</p> <p>Public Comment – Julie Tacker voiced her concerns and objected to the process being taken regarding the GM's Water Conservation Rebate Program, duplicating the County's efforts, and inquiring as to how much water the program would save.</p> <p>Richard Margetson commented on the rebate program and opposed any water credits being sold or transferred; and, commented on the Special Fire Tax.</p> <p>Linde Owen commented on a hearing regarding the Special Fire Tax and does not support a Water Conservation Fair and would like to see stronger results from the student posters.</p> <p>Darlene Reynolds thanked the staff and water crew for the excellent customer service and assistance provided when they experienced a water leak at their property.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of April 4, 2019</p> <p>C. Approve Warrant Register for March 23, 2019 through April 30, 2019</p> <p>D. Receive Financial Reports for the Periods Ending February 28, 2019 and March 31, 2019</p> <p>E. Designate the Local Agency Investment Fund (LAIF) as the Drainage and the Parks and Recreation Reserve Account</p> <p>F. Approve the Implementation of the Consumer Price Index (CPI) Increase to the Fire Special Tax for Fiscal Year 2019/2020</p> <p>G. Approve Transfer of the Water Reserves from Rabobank Money Market Account into the Pacific Premier Money Market Account</p> <p>H. Award Bid for Services to Paint Exterior Station 15-South Bay Building</p>	<p>A motion was made by Director Womack that the Board receive and file the Administrative and Committee Reports and approve the Consent Agenda with the exception of Items 11E and 11G. The motion was seconded by Vice President Cesena and carried by unanimous consent.</p>

AGENDA ITEM	DISCUSSION
<p>12. GENERAL ACTION ITEMS A. Discussion Regarding the District's Social Media Plan</p>	<p>Director Fourcroy provided an update regarding the District's Social Media Plan to provide a monthly community update of all the District's social media outlets utilizing email marketing software that will only need to update in one location; that approximately \$700 would be needed for the initial setup and three months of training and support for staff.</p> <p>Public Comment – Lynette Tornatzky voiced her support for the plan.</p> <p>A motion was made by Director Fourcroy to approve the plan and to budget \$700 for the initial setup. The motion was seconded by Director Womack and carried by unanimous consent.</p>
<p>B. Discussion Regarding Director Compensation</p>	<p>President Ochylski recommended the item be continued.</p> <p>Public Comment Julie Tacker supported the continuance of this item until all questions are answered and opposed compensation for ad hoc committees.</p> <p>Linde Owen supported \$50 only compensation for ad hoc committees and smaller meeting.</p> <p>President Ochylski continued the item and directed staff to come back with the various options for the effective date of the Bylaw change or retroactive to the beginning of the budget year or some period prior to that and what compensations are eligible under state law.</p>
<p>C. Request to Reallocate 25% of Water Property Tax Funds to the Parks and Recreation Fund</p>	<p>General Manager Osborne provided a summary of the report as submitted with the agenda packet; Director Fourcroy commented on the need to secure a revenue stream. Vice President Cesena commented that nothing will happen until we have a Habitat Conservation Plan (HCP) which is at least one year away and agreed that the Parks and Rec fund needs a revenue stream.</p> <p>Public Comment – Lynette Tornatzky supported reallocating the 25% from the water fund to the parks fund which benefits the whole community.</p> <p>Lou Tornatzky supported relocating the funds to Parks and Recreation.</p> <p>Linde Owen commented that the District can't do much of anything without an HCP and her involvement with the new Greening Los Osos Group to plant trees throughout the community.</p> <p>Julie Tacker commented on the need to see all funds that benefit the community and then discuss priorities; supported drainage funds used for LID projects which benefit the basin which benefits the whole community; and, supported the funds going to fire to lower the special fire tax.</p> <p>Richard Margetson commented on the need for more discussion; concerned that there is not enough information regarding expenses incurred for future projects; and, supported designating only 12.5%.</p> <p>Vice President Cesena moved to approve reallocating 12.5% of the Water property tax to the Parks and Recreation Fund 900 for operations and maintenance use in the 2019/2020 Fiscal Year Budget and be considered as a reoccurring reallocation annually. The motion was seconded by President Ochylski and carried by unanimous consent.</p>
<p>D. Discussion Regarding Request for Reimbursement from the County for the Parks and Recreation Committee's Rubber Chips Removal Project as Recommended by the Board</p>	<p>President Ochylski recommended that this be put on hold and that the District not request reimbursement from the County at this time. Vice President Cesena recommended a letter to the County explaining that the District is not expecting payment at this time however when the shelf life of the rubber chip material expires in three years the District expects reimbursement.</p> <p>Public Comment – Lou Tornatzky commented on the volunteer effort to remove the toxic materials.</p> <p>Linde Owen recommended that the County pay the money forward to the dog park fund and would like to see it get paid off sooner rather than later.</p> <p>Lynette Tornatzky supported Vice President Cesena's recommendation and to send a yearly reminder letter to the County.</p> <p>Julie Tacker supported Vice President Cesena and Ms. Tornatzky's recommendations.</p> <p>Richard Margetson agreed Vice President Cesena and recommended sending a copy of the letter to the Parks Commissioner as she should be weighing in on this issue.</p>

AGENDA ITEM	DISCUSSION
<p>D. Discussion Regarding Request for Reimbursement from the County for the Parks and Recreation Committee's Rubber Chips Removal Project as Recommended by the Board (continued)</p>	<p>President Ochylski proposed that the Parks and Recreation Advisory Committee not deal with this matter directly as it is a Board issue; that the District send a letter to Nick Franco, County Parks and Recreation, and copying the Parks Commissioner requesting that reimbursement to the District be addressed during their budget process; and, then to address the subject annually in a letter from the District to the Board of Supervisors.</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEMS</p> <p>E. Designate the Local Agency Investment Fund (LAIF) as the Drainage and the Parks and Recreation Reserve Account</p> <p>G. Approve Transfer of Water Reserves from Rabobank Money Market Account into the Pacific Premier Money Market Account</p>	<p>President Ochylski called for Public Comment on Consent Agenda Item 11E which was continued.</p> <p>Public Comment – Richard Margetson commented that he does not believe that the reserves in the audit are accurate and that the staff reports need to be synced to reflect the correct amounts in the drainage reserves.</p> <p>President Ochylski called for Public Comment on Consent Agenda Item 11G which was continued.</p> <p>Public Comment – Richard Margetson voiced his concern in transferring all of the District's money out of this community into a bank that might be in a risk position down the road.</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>None.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>None.</p>
<p>16. ADJOURN TO CLOSED SESSION</p> <p>17. RECONVENE AND REPORT OUT OF CLOSED SESSION</p> <p>18. ADJOURNMENT</p>	<p>President Ochylski adjourned the meeting to Closed Session at 9:08 p.m.</p> <p>The Board reconvened at 9:19 p.m. and President Ochylski reported that the Board took no reportable action in Closed Session.</p> <p>The meeting adjourned at 9:19 p.m.</p>

**Los Osos Community Services District
DRAFT Minutes of the Special Closed Session Meeting of May 6, 2019**

AGENDA ITEM	DISCUSSION OR ACTION
1. CALL TO ORDER/FLAG SALUTE/ROLL CALL	<p>President Ochylski called the meeting to order at 4:30 p.m. and led the flag salute.</p> <p>Roll Call: Matthew Fourcroy, Director – Present Vicki Milledge, Director – Present Christine Womack, Director – Arrived at 4:37 p.m. Chuck Cesena, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following staff was present: Renee Osborne, General Manager Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager</p>
2. ANNOUNCEMENT OF CLOSED SESSION ITEMS	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PUBLIC EMPLOYMENT [Government Code §54957 (b)(1)]</u> Title: General Manager</p>
3. PUBLIC COMMENT	<p>Public Comment – Lynette Tornatzky voiced her support of the General Manager.</p>
4. ADJOURN TO CLOSED SESSION	<p>The Board adjourned to Closed Session at 4:31 p.m.</p>
5. RECONVENE	<p>The Board reconvened at 5:17 p.m.</p>
6. REPORT OUT OF CLOSED SESSION	<p>President Ochylski reported that there was no reportable action taken in Closed Session.</p>
7. ADJOURNMENT	<p>The meeting adjourned at 5:17 p.m.</p>