

**Los Osos Community Services District  
Board of Directors  
Minutes of the Regular Meeting of September 5, 2013**

AGENDA ITEM	DISCUSSION OR ACTION
<b>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</b>	<p>President Moothart called the Special Meeting to order at 6:04 p.m. and led the flag salute.</p> <p><u>Roll Call:</u>            Marshall Ochylski, Director – Arrived at 6:07 p.m.            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, District Legal Counsel            Ann Kudart, Administrative/Accounting Assistant            Liz Radvansky, Administrative/Accounting Assistant</p>
<b>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</b>	<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>            Conference with Legal Counsel Regarding Existing Litigation (Formally Initiated):            - <i>In re Los Osos Community Services District (ND-06-10548)</i> United States Bankruptcy Court, Central District of California, Northern Division            - <i>LOCS D v. Golden State et al</i> (Groundwater Adjudication), Case No. CV04012 (San Luis Obispo Superior Court)</p> <p>B. <u>ANTICIPATED LITIGATION (Government Code, §54956.9(b)(1))</u>            Conference with Legal Counsel Regarding Anticipated Litigation – 1 Case</p> <p>C. <u>PERSONNEL (Government Code §54957)</u>            Public Employment            - Title: Full Time General Manager</p>
<b>3. PUBLIC COMMENT</b>	<p>Julie Tacker commented on dewatering and the continuation of mismanagement of the Basin. She commented on the lack of monitoring and dewatering to the Basin as a violation of all the permits and the spirit of the ISJ.</p>
<b>4. ADJOURN TO CLOSED SESSION</b>	<p>Jeff Edwards commented that prior to the 2002 litigation a suit by Golden State Water Company (GSW) was brought against the Regional Water Quality Control Board (RWQCB) who had issued wastewater discharge requirements for the Broderson site. He commented that he would like to see the District work directly and constructively with GSW.</p> <p>Lynette Tornatzky commented on the Bankruptcy plan asking where the \$800,000 for the unsecured creditors would come from if the plan was accepted.</p> <p>The Board adjourned to Closed Session at 6:13 p.m.</p>
<b>5. RECONVENE TO OPEN SESSION</b>	<p>The Board reconvened to Open Session at 7:07 p.m.</p> <p>The following Board Members were present:            Marshall Ochylski, Director            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, District Legal Counsel            Ann Kudart, Administrative/Accounting Assistant            Liz Radvansky, Administrative/Accounting Assistant</p>
<b>6. RECEIVE REPORT OUT OF CLOSED SESSIONS OF September 5, 2013</b>	<p>District Counsel Seitz reported that the Board heard a report in regards to the Bankruptcy and the ISJ. In regards to Item 2B Anticipated Litigation, there was no discussion and Item 2C Personnel, the Board discussed the General Manager position.</p>

AGENDA ITEM	DISCUSSION
<b>7. NOT USED</b>	
<b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b>	<p>Julie Tacker commented on the Basin Management Plan supporting review and comments from the Finance Committee and the Utilities Committee. She commented that she would have preferred a process in which the community was able to play a larger role and the process not be rushed.</p> <p>Paul Malykont announced a forum on the Affordable Health Care Act on September 22, 2013 at 1:00 p.m. at the South Bay Community Center. Panelists include Senator Bill Monning, Supervisor Bruce Gibson, Health Reform Expert Joel Diringer and LO Library Director Joe Laurenzi.</p> <p>Frank Ausilio voiced his concerns with the "Twin Bridges" on South Bay Boulevard flooding during the rainy season and the problems this would cause emergency response vehicles.</p> <p>Lacy Cooper commented on the dangers of the deep, loose sand in areas of the community not being packed down after construction has been completed and urged the Board to contact the County to meet and discuss these issues.</p> <p>Richard Margetson commented on the committee structure and the poor attendance at recent Committee meetings. He would like to see the Board take advantage of the vast knowledge the committee members have to offer and assign them with tasks to meet the goals of the committees.</p>
<b>9. ADMINISTRATIVE AND COMMITTEE REPORTS</b>	
<b>A. CAL FIRE Report</b>	Interim General Manager Falkner reported on the operations of the Utilities Department for the month of July 2013, reporting water production, consumption and revenue. She reported on Utility operations and maintenance of the water system, she reported that the crews replaced the damaged fire hydrant on 9 <sup>th</sup> Street and San Luis Avenue and that they continue monitoring and groundskeeping in Bayridge Estates and Vista de Oro.
<b>B. Utilities Department Report</b>	Paul Malykont reported on the August 22, 2013 LOCAC meeting. The Council heard a presentation by the Transportation Planner from SLOCOG giving data on bus usage and routes; approved the Consent Agenda; and the new CHP Division Chief was present and introduced himself.
<b>C. LOCAC Report</b>	
<b>D. Emergency Services Advisory Committee Report</b>	Director Wright gave the Emergency Services Advisory Committee (ESAC) report. The Committee accepted the resignation of Committee Member Doust, approved the minutes, reviewed the Financials for Fund 301, discussed the ESAC Mission and Vision Statements, and discussed implementation of the LO Habitat Conservation Plan. Engine 215 has been sold and an engine is on loan from Avila Beach until our new Engine is in service. He reported that there will be a CPR/AED training class being offered and encouraged the community to sign up. ESAC meeting will be held September 17, 2013 and Director Ochylski announced the Station 15-South Bay Annual Open House will be held October 12, 2013 at Vons shopping center.
<b>E. Utilities Advisory Committee Report</b>	
<b>F. Finance Advisory Committee Report</b>	
<b>G. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences and Seminars</b>	<p>Director Vogel reported on the Utilities Advisory Committee (UAC) meeting of August 14, 2013. The Committee approved the minutes, hearing a report from Interim General Manager on the CIP status and the Prop 84 funding agreement. There was an update from the Title 2 subcommittee and the Emergency Water Shortage subcommittee. A discussion of outdoor water conservation efforts was held and the Committee recommended that the Board President appoint Ron Munds and Jason Zatt to a subcommittee to identify projects and protocols for the implementation of outdoor water conservation and Stormwater retention. The next UAC meeting will be held September 11, 2013.</p> <p>President Moothart appointed Ron Munds and Jason Zatt to a subcommittee to identify projects and protocols for the implementation of outdoor water conservation and stormwater retention.</p> <p>President Moothart reported on the Finance Advisory Committee (FAC) meeting. The Committee approved the minutes, reviewed the warrants and financials recommending approval. The Committee discussed and provided comments on the draft Basin Management Plan for the District's response. The next FAC meeting will be held September 30, 2013.</p> <p>Admin Allocation Ad Hoc Committee Member Baltimore reported on the meeting he and Director Wright had with Interim General Manager Falkner and District Accountant Haber on August 30, 2013. They discussed the Admin Allocation procedures and learned that the administration of the Fire contract is not a minor item for staff. It was the opinion of the Ad Hoc Committee to support Schedule 1 which allocates the Admin's budget by Categories of Expenses using applicable and related bases for those categories. The current method of administrating allocation costs has Fire paying 5% of its revenues. It was further recommended that a member of this Ad Hoc Committee report their recommendations to the Finance Committee when this item is agendized for review.</p>

AGENDA ITEM	DISCUSSION
<p><b>10. PUBLIC COMMENT FOR 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 Meeting Minutes of August 1, 2013</b></p> <p><b>C. Receive Warrant Register for August 2013</b></p> <p><b>D. Receive Final June 30, 2013 Financial Statements and Approve Retroactive Budget Adjustments</b></p> <p><b>E. Adopt Resolution Amending the Personnel Policy to Eliminate the General Manager Job Description</b></p> <p><b>F. Amend the Position Allocation to Add a Permanent Part-Time Administrative Assistant</b></p> <p><b>G. Support for the 29<sup>th</sup> California Coastal Cleanup Sponsorship</b></p>	<p>Public Comment: Al Barrow commented on controlling the Basin and lowering rates if the District could take over Golden State Water Company.</p> <p>Julie Tacker requested an update of the bond refinancing; commented on ISJ expenses; she would like to hear about the activity at the South Bay Well; and Supervisor Gibson not attending the recent LOCAC meeting.</p> <p>Lacey Cooper asked when the CPR class was to be held; commented on the deadline for retrofit rebates; and voiced her concerns in hearing of emergency response delays due to the sewer construction.</p> <p>Richard Margetson commented on the leak adjustment discussion at UAC. He commented on the Admin Allocation subcommittee that was disbanded and would like to see the recommendations of the Ad Hoc Committee also reviewed by ESAC.</p> <p><b>A motion was made by Director Ochylski to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar as presented. 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>12. Consideration of Sending Demand to the Regional Water Quality Control Board to Stop Contractors' Dewatering into the Bay</b></p>	<p>The Board discussed the status of construction dewatering going into the bay, questioned the effects of the discharge on the bay and considered a response the District, as a water purveyor, should send to the Regional Water Quality Control Board (RWQCB). Director Ochylski read an excerpt from a letter dated August 21, 2013 to the RWQCB from Dave Flynn, Deputy Director of Public Works.</p> <p>Written comments were received from Linde Owen, Dr. Hite, and Deborah Grisanti.</p> <p>Public Comment: Al Barrow commented that dewatering being sent to the golf course instead of to the bay.</p> <p>Julie Tacker provided written comments to the Board. She commented on water quality not tested for nitrates, how is dewatering effecting Sweet Springs, and the cost to mitigate for the damage to the Bay as it's been done.</p> <p>Chuck Cesena commented on his mistrust of the County, urging the Board to do the right thing, that bad construction management is not a reason to waste resources.</p> <p>Richard Margetson commented on the County's letter to the RWQCB, commented on the Mid-Town property, and commented on dewatering to the Bay as a last resort not the first.</p> <p>Lynette Tornatzky requested the letter from Mr. Flynn be made available. She commented on dewatering at the golf course; requested that the word "demand" be removed from the letter; believes the letter should come for all the purveyors as a group; and asked if there was any documentation for the amount of dewatering to the bay that shows our water supply is being diminished.</p> <p>Lacey Cooper asked why it was better to discharge water to the ground rather than the Bay.</p> <p>The Board discussed the parameters and purpose of the letter to the RWQCB was to strongly emphasis the District's concern for the dewatering. It was also recommended that District Engineering Miller review the letter for technical accuracy.</p> <p>President Moothart appointed himself and Vice President Baltimore to an Ad Hoc Committee to draft a letter to the RWQCB from the parameters discussed by the Board.</p>

AGENDA ITEM	DISCUSSION
<p><b>12. Consideration of Sending Demand to the Regional Water Quality Control Board to Stop Contractors Dewatering into the Bay (continue)</b></p>	<p>Director Ochylski made a motion that based on the direction received from the Board to authorize President Moothart to sign a letter to the Regional Water Quality Control Board. The motion was seconded by Director Wright and carried with the following vote:</p> <p><b>Ayes: Directors Ochylski, Wright, Vogel, Baltimore, Moothart</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p> <p>Director Vogel read a first draft of the letter:</p> <p>"Given that the Regional Water Quality Control Board has stated that land based discharge should be the first priority for dewatering. Given that the County will be using the Broderson site for recharge from its wastewater project and must be able to determine as soon as possible the capacity of the Broderson site for recharge, the Los Osos Community Services District hereby requests the Regional Water Quality Control Board to order the County to immediately cease and decrease from dewatering directly into the Bay and finish construction of the infrastructure and pipeline to the Broderson site."</p>
<p><b>13. FUTURE AGENDA ITEMS</b></p>	<p>Director Wright requested President Moothart invite Supervisor Gibson and John Waddell to a Board meeting and Director Ochylski requested Paavo Ogren be invited instead of John Waddell.</p> <p>President Moothart announced the Board would have a special meeting on September 16, 2013 and the next regular meeting of the Board would be October 3, 2013. Director Wright announced that he would be out of town for that meeting.</p>
<p><b>14. CLOSING BOARD COMMENTS</b></p>	<p>Director Ochylski announced Mission Country Disposal's Extra Pickup Week September 9 through 13, 2013 and the Fire Department's Open House on October 12, 2013.</p> <p>Director Wright reminded the public of the upcoming CPR/AED training class.</p> <p>Director Vogel thanked the public for their attendance at the meetings.</p> <p>Director Moothart announced the Rotary's 6<sup>th</sup> Annual Grandparents Day Celebration on Sunday, September 8, 2013 at Baywood Elementary.</p>
<p><b>15. ADJOURNMENT</b></p>	<p>The meeting adjourned at 9:14 p.m.</p>