



April 25, 2016

**TO:** LOCSD Board of Directors  
**FROM:** Ann Kudart, Administrative/Accounting Assistant III  
**SUBJECT:** **Agenda Item 11B – 5/5/2016 Board Meeting**  
Approve Meeting Minutes of April 7, 2016

A handwritten signature in black ink, appearing to be "AK", is located to the right of the "FROM:" line.

**President**  
Marshall E. Ochylski

**Vice President**  
Jon-Erik G. Storm

**Directors**  
Charles L. Cesena  
Louis G. Tornatzky  
R. Michael Wright

**Interim General Manager**  
Peter J. Kampa

**Temporary District Accountant**  
Dale G. Flynn

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
Tom McEwen

**DESCRIPTION**

Attached are minutes from the April 7, 2016 Board of Directors meetings.

**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 April 7, 2016 meeting.***

Attachment

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**Los Osos Community Services District  
Board of Directors  
DRAFT Minutes of the Regular Meeting of April 7, 2016**

AGENDA ITEM	DISCUSSION OR ACTION
<p><b>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</b></p>	<p>President Ochylski called the meeting to order at 6:03 p.m. and Director Wright led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Ann Kudart, Administrative/Accounting Assistant III</p>
<p><b>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</b></p> <p><b>3. PUBLIC COMMENT</b></p> <p><b>4. ADJOURN TO CLOSED SESSION</b></p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>EXISTING 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) United States Bankruptcy Court Central District of California, Northern Division</i></p> <p>B. <u>PERSONNEL MATTERS (Government Code §54957)</u> Conference with General Manager Regarding: 1) Public Employment – District Accountant 2) Public Employee Performance Evaluation – Legal Counsel</p> <p>C. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> Conference with Real Property Negotiator, Peter J. Kampa, Interim General Manager Property: 950 Los Osos Valley Road, Los Osos, CA Agency Negotiator: Interim General Manager Kampa Instruction to Negotiator concerning price, terms and other conditions</p> <p>Public Comment – Linde Owen commented on the bankruptcy; supported new replacement for the accountant and putting the legal services out for bids; and opposed any property move at this time.</p> <p>Jeff Edwards commented on Item 2C and opposed the District moving offices.</p> <p>Julie Tacker agreed with the previous speakers on Item 2C; commented on Item 2B and FAC's request for an analysis of Mr. Seitz's statements; and commented on Item 2A asking when it would be over.</p> <p>Lynette Tornatzky voiced her support for Item 2C.</p> <p>The Board adjourned to Closed Session at 6:15 p.m.</p>
<p><b>5. RECONVENE TO OPEN SESSION</b></p>	<p>The Board reconvened to Open Session at 7:04 p.m. and Director Wright led the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Michael Seitz, District Legal Counsel Tom McEwen, Battalion Chief Ann Kudart, Administrative/Accounting Assistant III</p>
<p><b>6 REPORT OUT OF CLOSED SESSION MEETING</b></p> <p><b>7. NOT USED</b></p>	<p>District Legal Counsel Seitz reported that in regards to Item 2A, the Board had a conference with Legal Counsel. In regards to Item 2B, the Board discussed #1 only and that #2 would be discussed at the close of this meeting. In regards to Item 2C, the Board gave direction to staff but took no reportable action.</p>

AGENDA ITEM	DISCUSSION
<p><b>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</b></p>	<p>Keith Wimer congratulated the LOCSD water customers for continuing to be water-efficient and keeping the average use to 54 gallons per person per day and making Los Osos one of the most water-wise communities in the state. He commented on available rebates and the repurposing of septic tanks.</p> <p>Tom Salmon commented on the District's tumultuous history, the loss of District services, and announced that he would be running for seat on the Board.</p> <p>Linde Owen commented on her attendance at a recent water forum and opportunities that need to be implemented before it's too late; the repurposing of septic tanks as water cisterns; and supported a trucking system of the treated effluent.</p> <p>Julie Tacker asked when the item for "Previously Asked Questions" would be back on the agenda as promised; commented on a previous speaker's comments regarding overreaction of public records; and commented on committee minutes not in the agenda packet and the cancellation of monthly committee meetings.</p> <p>Charmaine Henderson commented on the Level Severity III and inquired as to what the requirements were for Level IV and when would they be met.</p> <p>President Ochylski responded that April FAC and UAC meetings were canceled as there would be a joint special meeting of those committees on April 25<sup>th</sup> to discuss water severity levels and the water rate structure.</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. Interim General Manager Report</b></p> <p><b>D. Legal Counsel Report</b></p> <p><b>E. Los Osos Community Advisory Council (LOCAC) Report</b></p> <p><b>F. Los Osos/Baywood Park Chamber of Commerce Report</b></p> <p><b>G. Emergency Services Advisory Committee Report</b></p> <p><b>H. Parks and Recreation Advisory Committee Report</b></p> <p><b>I. Basin Management Committee Meeting</b></p>	<p>Battalion Chief McEwen reported on the Chief's Report for the month of February 2016 reporting on the emergency activity, administration, special programs and projects, training, and fire prevention. The Chief reported on the necessity of hiring additional reserves firefighters as we lose reserves to career positions with Cal Fire.</p> <p>Interim General Manager Kampa gave a brief summary of the February 2016 Utilities Department report as submitted in the agenda packet.</p> <p>Interim General Manager Kampa introduced Charlyse Drake, an Administrative Director with his firm, and he provided a summary of the report as submitted with the agenda packet.</p> <p>Legal Counsel Seitz reported that the District is presently under the County Ordinance Level Severity III and that in terms of the District's Water Shortage Contingency Plan, is in Stage III and possibly going toward Stage IV depending on the Spring reports.</p> <p>There was no LOCAC representative in attendance.</p> <p>Steve Vinson, Chamber Board President, reported on the Business Expo on April 22<sup>nd</sup> from 5:30 p.m. to 7:30 p.m. and the Festival of Flavors will be held June 24<sup>th</sup> from 5:00 p.m. to 8:00 p.m.</p> <p>Director Cesena reported that at the March 15<sup>th</sup> ESAC meeting the Committee discussed the retention of reserves and the desire to go to Level 4 staffing. The next meeting will be held on April 19<sup>th</sup>.</p> <p>Vice President Storm reported that P&amp;RAC held its first meeting on March 21<sup>st</sup> and discussed ideas for a public forum. The Committee recommended that the Board appropriate funds for facility rental and promotional costs to conduct the public forum to receive input regarding park and recreational services.</p> <p>President Ochylski reported that the District had recently received applications from Julie Tacker membership to Parks and Recreation Committee and Cheri Grimm for membership to the Finance Committee. Seeing no objection, President Ochylski appointed the applicants to the respective committees.</p> <p>Director Tornatzky reported on his attendance at the April 6<sup>th</sup> Water Resource Advisory Committee. The Committee had a lengthy discussion concerning Proposition 1 to write proposals to meet the demands of the funding programs. The Committee heard a presentation on the evolution and implementation of the Los Osos Basin Plan, adjudication and the current work of the Basin Management Committee.</p>

AGENDA ITEM	DISCUSSION
<p><b>J. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</b></p>	<p>President Ochylski reported that at the March 16<sup>th</sup> Basin Management Committee meeting, the budget for the Committee was approved; discussed grant proposals and proposals for zone of benefit analysis and review financing options; discussed guidelines and online requirements for entering groundwater basin data due April 1<sup>st</sup>; had a further discussion of the Los Osos creek discharge; and discussed participation in IRWM planning process.</p> <p>Director Wright reported on his attendance at the March 16<sup>th</sup> SLO County Fire Safe Council Board meeting. He reported that only \$99,000 in hazardous fuel reduction funds would be available this year for the entire county and that the majority of the monies would be directed to Cambria as 70% of the trees are distressed or dead.</p> <p>Director Wright reported on the presentations at the March 18<sup>th</sup> SLO CSDA Chapter meeting by the County on the projected property tax and Energy Watch program for CSDs.</p> <p>Director Cesena commented on the conservation and repurposing of septic tank discussions at the Basin Management Committee and the importance working with the County in getting information to the property owners in mailings and run on Channel 20.</p>
<p><b>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</b></p>	<p>Vice President Storm requested Consent Agenda Item 11J be pulled. President Ochylski continued the item to the next Board meeting.</p> <p>At 8:05 p.m. President Ochylski called for a break and left the dais.          At 8:12 p.m. President Ochylski returned to the dais and reconvened the meeting.</p> <p>Public Comment – Keith Wimer, Linde Owen, and Julie Tacker spoke.</p>
<p><b>11. CONSENT AGENDA</b></p> <p><b>A. Receive Administrative and Committee Reports</b></p> <p><b>B. Approve Meeting Minutes of March 3, 2016</b></p> <p><b>C. Receive Warrant Register for March 2016</b></p> <p><b>D. Approve Allocation of Funds for Facility Rental and Advertising Costs to Conduct a Public Meeting to Receive Community Input Regarding Parts and Recreational Services</b></p> <p><b>E. Authorize the Issuance of a Debit Card to Frank Asuncion as a Replacement Card for the Account Currently in the Name of Kathy Kivley</b></p> <p><b>F. Designation of the District's Fiscal Year as the Appropriate Period for Reporting of Reimbursements Received by District Directors, General Managers, and Employees</b></p> <p><b>G. Schedule Special Meeting for the Purpose of Conducting a Board Strategic Planning Workshop to Establish Board of Director Conduct Norms and Board Member/Meeting Related Protocol, Structure and Process Agreements</b></p>	<p><b>A motion was made by Director Wright to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar with the exception of Item 11J. The motion was seconded by Vice President Storm and carried with the following vote:</b></p> <p><b>Ayes: Directors Wright, Storm, Cesena, Tornatzky, Ochylski</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>

AGENDA ITEM	DISCUSSION
<p><b>11. CONSENT CALENDAR</b>            (continued)  <b>H. Adopt Resolution Approving Amendments to the Travel and Reimbursement Policy to Include Reporting Required by the California Government Code Section 53065.5</b>  <b>I. Adopt Resolution Approving a Policy Establishing a Transparency Standard of Excellence for the District and Directing the Implementation of Certain Actions Support Public Outreach and Community Input</b>  <b>J. Consideration of Options Related to Hiring or Contracting with a General Manager</b></p>	
<p><b>12. GENERAL ACTION ITEMS</b></p> <p><b>A. Adopt Resolution Approving Policies Relating to the Selection, Hiring, Setting Performance Standards for, and Evaluation of, the District Legal Counsel and the District Engineer</b></p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet and presented to the Board for their review and approval.</p> <p>Public Comment – Julie Tacker and Linde Owen spoke.</p> <p><b>A motion was made by Vice President Storm that the Board adopt Resolution 2016-12 approving policies for the selection, hiring, setting performance standards for and evaluation of the District Legal Counsel and District Engineer. The motion was seconded by Director Cesena and carried with the following vote:</b></p> <p><b>Ayes: Directors Storm, Cesena, Tornatzky, Wright, Ochylski</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p> <p>At 8:36 p.m. President Ochylski left the dais.</p>
<p><b>B. Adopt Resolution Approving Amendments to the District's Expenditure Control Guidelines to Allow for Expenditures within all Approved Budget Classifications to be Authorized by the General Manager; Establishing Revised Capital Expenditure Guidelines and Revising Required Purchasing Documentation</b></p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet.</p> <p>Public Comment – Julie Tacker and Linde Owen spoke.</p> <p><b>A motion was made by Director Wright that the Board adopt Resolution 2016-13 approving amendments to the District's Expenditure Control Guidelines. The motion was seconded by Director Tornatzky and carried with the following vote:</b></p> <p><b>Ayes: Directors Wright, Tornatzky, Cesena, Storm</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: Ochylski</b></p> <p>At 8:47 p.m. President Ochylski returned to the dais.</p>
<p><b>C. Discussion Regarding the District Community Wastewater Fund Held by the SLO County Community Foundation</b></p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet and presented to the Board for their direction to staff regarding the payout of \$169,081 of wastewater funds currently on deposit with the SLO County Community Foundation.</p> <p>President Ochylski reported that the Board should decide if the District should set up its own disbursement procedures which would have an administrative allocation or cooperate with the County in providing funds through the County program.</p>

AGENDA ITEM	DISCUSSION
<p><b>C. Discussion Regarding the District Community Wastewater Fund Held by the SLO County Community Foundation (continued)</b></p>	<p>Public Comment – Julie Tacker and Linde Owen spoke.</p> <p>The Board supported streamlining with the County's program and directed staff to ensure that the program is accessible to as many people as possible, as quickly as possible, and as fair as possible.</p>
<p><b>D. Approval of Station 15-South Bay Greywater System Installation Project Involving the Repurposing of the Existing Septic Tank as a Greywater Holding Reservoir to Support Installation of Potential Community Gardens and a Drought Tolerant Demonstration Garden</b></p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet.</p> <p>Public Comment – Julie Tacker commented that the logistics of the project did not make sense and did not support the project at this time.</p> <p>Linde Owen suggested that the slope to Sunnyside be terraced with the water being disbursed downhill using gravity rather than investing money in a pump.</p> <p><b>A motion was made by Vice President Storm that the Board approve the Station 15-South Bay Greywater System Installation Project, to include a funding appropriation in the amount not-to-exceed \$9,000 in the 2015/16 fiscal year budget to fund connection to the new sewer and repurposing of the septic tank(s) for use as greywater holding tanks. I further move to provide conceptual approval for the greywater pumping, control and irrigation system subject to final project budget and funding plan approval by the Board. Approval of the greywater project will authorize and direct the pursuit of grant funds for the project, which will support Development of Potential Community Gardens and a Drought Tolerant Demonstration Garden. The motion was seconded by Director Wright and carried with the following vote:</b></p> <p><b>Ayes: Directors Storm, Wright, Cesena, Tornatzky, Ochylski</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>13. DISCUSSION OF PULLED CONSENT ITEMS</b></p>	<p>None</p>
<p><b>14. FUTURE AGENDA ITEMS</b></p>	<p>Director Wright again requested a review of the District's Personnel Policy and the Recycled Water Contract.</p>
<p><b>15. CLOSING BOARD COMMENTS</b></p>	<p>Director Cesena announced the April 20<sup>th</sup> Basin Management Committee Meeting at 1:30 p.m. and urged the public to repurpose their septic tanks or at least clean and close and save the option to later reuse.</p> <p>Director Wright announced the upcoming April 11-15 Mission Country Disposal Cleanup Week.</p> <p>President Ochylski thanked everyone for their participation.</p>
<p><b>16. ADJOURN TO CLOSED SESSION</b></p> <p><b>REPORT OUT OF CLOSED SESSION</b></p> <p><b>ADJOURNMENT</b></p>	<p>The Board of Directors reconvened in Closed Session at 9:35 p.m. at the District office located at 2122 9<sup>th</sup> St., Suite 102, Los Osos, for the purpose of conducting a performance evaluation for the District legal counsel. The Board completed its Closed Session at 10:00 p.m., and immediately thereafter opened the meeting to the public. Interim General Manager/Board Secretary Peter Kampa physically walked the office parking lot to determine if members of the public were waiting to attend the meeting for announcement of action taken in closed session and meeting adjournment and determined that no members of the public were present.</p> <p>The Regular Meeting of the Board of Directors was reconvened at 10:02 p.m. President Ochylski announced that no specific action was taken, however the Board directed the General Manager to immediately prepare and circulate a Request for Qualifications/Request for Proposal for General Legal Counsel Services. With no further business or action to report, the meeting was adjourned at 10:02 p.m.</p>