



July 25, 2016

TO: LOCSO Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 8/4/2016 Board Meeting**
Approve Meeting Minutes of July 7, 2016

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

District Accountant
Warmerdam CPA Group

Unit Chief
Scott M. Jalbert

Battalion Chief
Tom McEwen

DESCRIPTION

Attached are minutes from the July 7, 2016 Board of Directors meeting for 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 July 7, 2016 meeting.

Attachment

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

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Ochylski called the meeting to order at 7:01 p.m. and Vice President Storm 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 Roy Hanley, District Legal Counsel Tom McEwen, Battalion Chief Margaret Falkner, Utility Compliance Technician III Ann Kudart, Administrative/Accounting Assistant III</p>
<p>2. PRESENTATION AND PUBLIC HEARINGS A. Administer Firefighter’s Oath to New Station 15-South Bay Reserve Firefighters</p>	<p>Battalion Chief McEwen introduced the Reserves and President Ochylski administered the oath to new Station 15-South Bay Reserve Firefighters Parker Burt, Jeffrey Edsall, and George Meert. Family members and CAL FIRE personnel came forward and pinned on their badges. The Reserves were congratulated by each of the Board members, District staff, and public.</p>
<p>B. Adopt Resolutions Submitting the Following Fiscal Year 2016/2017 Assessments and Special Tax Rolls to San Luis Obispo County for Collection:</p> <p>1. Drainage Special Tax</p>	<p>Interim General Manager Kampa gave a brief summary of the item as submitted with the agenda.</p> <p>President Ochylski opened the public hearing for testimony to consider all objections or protests to levying the Drainage Special Tax in Fiscal Year 2016/2017 tax rolls. There being none, the public hearing portion was closed.</p> <p>A motion was made by Director Cesena to adopt Resolution 2016-25 setting assessments for drainage services and directing their collection by the County in the Fiscal Year 2016/2017 Tax Rolls. The motion was seconded by Vice President Storm and carried with the following vote: Ayes: Directors, Cesena, Storm, Tornatzky, Wright, Ochylski Nays: None Abstain: None Absent: None</p>
<p>2. Fire Special Tax</p>	<p>President Ochylski opened the public hearing for testimony to consider all objections or protests to levying the Fire Special Tax in Fiscal Year 2016/2017 tax rolls. There being none, the public hearing portion was closed.</p> <p>Public Comment: Richard Margetson and Julie Tacker spoke.</p> <p>A motion was made by Director Wright to adopt Resolution 2016-26 approving the levying and collection of the Special Fire Tax assessments and directing their collection by the County in the Fiscal Year 2016/2017 Tax Rolls. The motion was seconded by Vice President Storm and carried with the following vote: Ayes: Directors, Wright, Storm, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>
<p>3. Bayridge Estates Annual Charges</p>	<p>President Ochylski opened the public hearing for testimony to consider all objections or protests to levying the Bayridge Estates Annual Service Charge in Fiscal Year 2016/2017 tax rolls. There being none, the public hearing portion was closed.</p> <p>A motion was made by Vice President Storm to adopt Resolution 2016-23 setting assessments for services at Vista de Oro and directing their collection by the County in the Fiscal Year 2016/2017 Tax Rolls. The motion was seconded by Director Wright and carried with the following vote: Ayes: Directors, Storm, Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
<p>4. Vista de Oro Annual Charges</p>	<p>President Ochylski opened the public hearing for testimony to consider all objections or protests to levying the Vista de Oro Annual Service Charge in Fiscal Year 2016/2017 tax rolls. There being none, the public hearing portion was closed.</p> <p>A motion was made by Vice President Storm to adopt Resolution 2016-24 setting assessments for services at Vista de Oro and directing their collection by the County in the Fiscal Year 2016/2017 Tax Rolls. The motion was seconded by Director Cesena and carried with the following vote: Ayes: Directors, Storm, Cesena, Tornatzky, Wright, Ochylski Nays: None Abstain: None Absent: None</p>
<p>5. Wastewater Assessment District No. 1 Assessments</p>	<p>President Ochylski opened the public hearing for testimony to consider all objections or protests to levying Wastewater Assessment District No. 1 Assessments in Fiscal Year 2016/2017 tax rolls.</p> <p>Public Comment – Richard Margetson and Julie Tacker opposed the \$24.32 administrative costs.</p> <p>A motion was made by Director Wright to amend Resolution 2016-27 to limit the administrative costs to \$10.56 per parcel and directing their collection by the County in the Fiscal Year 2016/2017 Tax Rolls. The motion was seconded by Vice President Storm and carried with the following vote: Ayes: Directors Wright, Storm, Tornatzky, Ochylski Nays: Cesena Abstain: None Absent: None</p>
<p>2C. Adopt Resolution Submitting District Past Due Water Accounts as Listed in General Manager's Report of Delinquent Water Charges and Approve Collection in the 2016/2017 Tax Rolls</p>	<p>Interim General Manager Kampa provided a brief summary of the item as submitted with the agenda.</p> <p>President Ochylski opened the public hearing for testimony to consider all objections or protests to recording liens and levying assessments on past due accounts of delinquent water charges. There being none, the public hearing portion was closed.</p> <p>A motion was made by Director Wright to adopt Resolution 2016-28 confirming the Report of the District General Manager for delinquent water collection charges and authorizing the collection of delinquent charges on the County Fiscal Year 2016/2017 Tax Roll. The motion was seconded by Director Cesena and carried with the following vote: Ayes: Directors Wright, Cesena Storm, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>
<p>2D. Fiscal Year 2014/2015 Audit Report</p>	<p>Adam Guise of Moss, Levy & Hartzheim provided a summary of the independent auditors report through June 2015 reporting that a clean opinion was issued. He explained the changes to the CalPERS pension contribution reporting which is now a liability not an expense as in the past; the bankruptcy balances are no longer in the report other than pending payment agreements; and as the resolution to transfer balances from the Solid Waste fund to a new Fire fund did not occur until this fiscal year, that fund balance and cash are currently shown in the General fund and next year will be shown in the new Fire fund. Mr. Guise reviewed the Management Letter details reporting on the main findings of the audit field work.</p> <p>Public Comment: Julie Tacker and Richard Margetson spoke.</p> <p>A motion was made by Vice President Storm to receive and file the Fiscal Year 2014/2015 Audit Report. The motion was seconded by Director Wright and carried with the following vote: Ayes: Directors Storm, Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>

AGENDA ITEM	DISCUSSION
3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p>Julie Tacker requested "Previously Asked Questions" be placed back on agendas; disappointed that the Audit Report was not published with the agenda; requested archived documents be placed on the website; disapproved committee meeting cancellations; and that the Budget discussion should have been televised.</p> <p>Stephen Best commented that he has submitted an application to the Parks and Recreation Advisory Committee and would like to serve.</p> <p>Richard Margetson thanked the Board for discussing and lowering the Wastewater Assessment admin fee; commented on the Administration transfer; and the Public Facilities fees.</p>
4. ADMINISTRATIVE AND COMMITTEE REPORTS A. CAL FIRE Report B. Utilities Department Report C. Interim General Manager Report D. Legal Counsel Report E. Los Osos Community Advisory Council (LOCAC) Report F. Los Osos/Baywood Park Chamber of Commerce Report G. Emergency Services Advisory Committee Report H. Parks and Recreation Advisory Committee Meeting Report I. Basin Management Committee Meeting J. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars	<p>Battalion Chief McEwen provided the Chief's Report for the month of May 2016 reporting on the emergency activity, administration, special programs and projects, training, and fire prevention report as submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner gave a brief summary of the May 2016 Utilities Department report as submitted in the agenda packet.</p> <p>Interim General Manager Kampa reported on the review of the Audit; that staff is working diligently to prepare the Final Budget before September 1st; his recent meeting with the County and that the County will pay for the collection system repair work in Bayridge; and that the County and the District will be working on agreements to provide recycled water to the schools.</p> <p>None.</p> <p>None</p> <p>Steve Vinson, Chamber Board President, announced the July 13th Chamber Mixer at SLO Roasted Coffee in conjunction with Morro Bay Chamber of Commerce and numerous upcoming events.</p> <p>Director Cesena gave a summary of the June 28th ESAC meeting in which the Committee discussed budget concerns and projections for the next year; funding of the emergency vehicles; staffing levels; and the Admin draw.</p> <p>Interim General Manager Kampa gave a summary of the Committee's discussion as to the structure of a Community Forum to be held August 13th at the South Bay Community Center's 30th Anniversary Celebration to gather public feedback in order to determine the needs of the community regarding parks and recreational services.</p> <p>President Ochylski reported that the Committee adopted their Final Annual Report; that the July 20th meeting had been canceled due to the revised basin boundaries hearing in Sacramento scheduled for that date and that the next meeting of the Committee would be held July 27th.</p> <p>None</p>
5. PUBLIC COMMENT ON THE ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT AGENDA	<p>Public Comment – Julie Tacker, Richard Margetson, and Lynette Tornatzky spoke.</p>
6. CONSENT AGENDA A. Receive Administrative and Committee Reports	<p>President Ochylski appointed Stephen Best as a member of the Parks and Recreation Advisory Committee.</p>

AGENDA ITEM	DISCUSSION
<p>6. CONSENT AGENDA (continued) B. Approve Meeting Minutes of June 2, 2016, June 29, 2016, and June 30, 2016 C. Receive Warrant Register for June 216 D. Adopt Resolution Approving a Contract for District Legal Counsel Services E. Reaffirm CAL FIRE/SLO County Fire Department and LOCSD Cooperative Fire Protection Agreement and Update Schedules "A" through "E" to Reflect Changes in Services and Costs for FY 2016/17</p>	<p>A motion was made by Vice President Storm to receive and file the Administrative and Committee Reports and to approve the items on the Consent Calendar. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Storm, Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: None</p>
<p>7. GENERAL ACTION ITEMS A. Consider Vote to Elect Representative to the California Special District Association (CSDA) 2016 Board of Directors</p>	<p>Interim General Manager Kampa outlined the roles and responsibilities of the candidates.</p> <p>Public Comment – Lynette Tornatzky supported a vote for Anthony Kalvans.</p> <p>Julie Tacker commented that it was the Board's decision to cast the vote and not staff.</p> <p>A motion was made by Director Wright that the Board direct Staff to submit a vote for Anthony Kalvans to fill Seat B representing the Coastal Network of the California Special Districts Association. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Wright, Tornatzky, Cesena Nays: Storm, Ochylski Abstain: None Absent: Storm</p>
<p>B. Adopt Resolution Approving Agreement with NBS Government Financial Group for the Preparation of Required Financial Disclosure Reports and Documentation</p>	<p>Interim General Manager Kampa reported on the need to contract for the preparation of required disclosure reports and credit rating maintenance.</p> <p>Public Comment – Lynette Tornatzky supported the Board approving the agreement.</p> <p>Julie Tacker and Richard Margetson opposed urging the Board to wait.</p> <p>A motion was made by Vice President Storm that the Board adopt Resolution 2016-30 approving the agreement with NBS Government Financial Group for the preparation of required financial reports and documentation related to the administration of Wastewater Assessment District #1. The motion was seconded by Director Tornatzky.</p> <p>President Ochylski requested that the motion be amended to hire NBS Government Financial Group for one year and then issue an RFQ. Vice President Storm and Director Tornatzky accepted the amendment and the motion carried with the following vote:</p> <p>Ayes: Directors Storm, Tornatzky, Cesena, Wright, Ochylski Nays: None Abstain: None Absent: Storm</p>
<p>C. Review and Approve 2016/2017 Committee Work Plan and Schedule</p>	<p>President Ochylski scheduled Budget Review Committee meetings to be held for Emergency Services Advisory Committee on Monday, August 8th; Utilities Advisory Committee on Tuesday, August 9th; and Finance Advisory Committee on Wednesday, August 10th. A Special Budget meeting of the Board of Directors on Wednesday, August 17th; and if needed, Monday, August 22nd.</p> <p>Interim General Manager Kampa review the 2016/2017 Committee Work Plan.</p>

AGENDA ITEM	DISCUSSION
<p>C. Review and Approve 2016/2017 Committee Work Plan and Schedule (continued)</p>	<p>Public Comment – Julie Tacker and Richard Margetson opposed the lack of committee meetings and scarcity of much needed discussion of major items.</p> <p>Lynette Tornatzky opposed of tone of the comments and supported continuing this item to the next meeting.</p> <p>President Ochylski suggested that written comments be provided to the General Manager to be reviewed at the Board’s next meeting.</p> <p>A motion was made by Vice President Storm to continue the meeting past 10:00 p.m. The motion was seconded by Director Cesena and seeing no objections, the motion was approved.</p>
<p>8. DISCUSSION OF PULLED CONSENT ITEM</p>	<p>None</p>
<p>9. FUTURE AGENDA ITEMS</p>	<p>President Ochylski reported that the FY16/17 Budget and review the 2016/2017 Committee Work Plan and Schedule will be placed on future agendas.</p>
<p>10. CLOSING BOARD COMMENTS</p>	<p>Director Cesena announced the South Bay Community Center's 30th Anniversary Celebration to be held on Saturday, August 13th.</p> <p>Vice President Storm thanked staff for all the hard work in getting the audit out.</p> <p>President Ochylski also expressed his thanks for the staff's work in getting a clean audit for the District.</p>
<p>ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION</u> Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: 1 case Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed</p> <p>Public Comment - None</p>
<p>16. ADJOURN TO CLOSED SESSION</p>	<p>The meeting adjourned at 9:56 p.m.</p>