



June 30, 2016

TO: LOCSD Board of Directors

FROM: Ann Kudart, Administrative/Accounting Assistant III *agk*

SUBJECT: **Agenda Item 6B – 7/7/2016 Board Meeting**
Approve Meeting Minutes of June 2, 2016, June 29, 2016, and June 30, 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

Temporary District Accountant

Dale G. Flynn

Unit Chief

Scott M. Jalbert

Battalion Chief

Tom McEwen

DESCRIPTION

Attached are minutes from the June 2, 2016, the June 29, 2016, and the June 30, 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 June 2, 2016, June 29, 2016, and June 30, 2016 meetings.

Attachment

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**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of June 2, 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 6:02 p.m. and Director Cesena 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>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS, PUBLIC COMMENT ON CLOSED SESSION ITEMS, AND CONVENING OF CLOSED SESSION</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>REAL PROPERTY MATTERS (Government Code §54956.8)</u> Conference with Real Property Negotiator, Peter J. Kampa, Interim General Manager Property: 2122 9th Street, Suite 102, Los Osos, CA 950 Los Osos Valley Road, Los Osos, CA 2030 10th Street, Los Osos, CA</p> <p>B. <u>PERSONNEL MATTERS (Government Code §54954.5)</u> Public Employee – District Interim General Manager Public Employee – District Legal Counsel</p> <p>Public Comment: Julie Tacker commented on Item 2A and inquired as to who the District was negotiating with; and, supported a new search for District General Manager and Legal Counsel.</p> <p>Lynette Tornatzky supported moving the office and supported Mr. Kampa as District General Manager.</p> <p>The Board adjourned to Closed Session at 6:08 p.m.</p>
<p>5. RECONVENE TO OPEN SESSION</p>	<p>The Board reconvened to Open Session at 7:05 p.m. and Director Tornatzky led the flag salute.</p> <p>Roll Call: Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Erik Storm, Vice President – Absent 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 Margaret Falkner, Utility Compliance Technician III Ann Kudart, Administrative/Accounting Assistant III</p>
<p>6 REPORT OUT OF CLOSED SESSION MEETING</p> <p>7. NOT USED</p>	<p>President Ochylski reported that the Board went into Closed Session to discuss Items 2A and 2B but took no reportable action.</p>
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Linda Quesenberry commented on the formation of the Los Osos Community Coalition, a community network and invited a representative of the Board to attend the June 16th meeting to be held at 9:00 a.m. at the Community Center.</p> <p>Lynette Tornatzky commented on the District's new website.</p> <p>Richard Margetson commented on the Basin Management Committee meetings being videotaped and streamed on Channel 20.</p> <p>Julie Tacker commented on the Basin Management Committee and supported their meetings being shown on Channel 20.</p>

AGENDA ITEM	DISCUSSION
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. Interim General Manager Report for April 2016</p> <p>D. Legal Counsel Report</p> <p>E. Los Osos Community Advisory Council (LOCAC) Report</p> <p>F. Los Osos/Baywood Park Chamber of Commerce Report</p> <p>G. Emergency Services Advisory Committee Report</p> <p>H. Parks and Recreation Advisory Committee Meeting Report</p> <p>I. Utilities Advisory Committee Report</p> <p>J. Basin Management Committee Meeting</p> <p>K. Directors' Announcements of Direct and Committee Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences, and Seminars</p>	<p>Battalion Chief McEwen provided the Chief's Report for the month of April 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 April 2016 Utilities Department report as submitted in the agenda packet.</p> <p>Interim General Manager Kampa provided a summary of the report as submitted with the agenda packet and reviewed the revised Budget calendar attached to his report.</p> <p>None.</p> <p>Jeff Weir, LOCAC Chairperson, reported on the May 26, 2016 meeting. The Council received reports from the Sheriff, the Chamber, and the LOCSD; a presentation from the Rotary Club concerning a proposed outdoor stage; reviewed and approved three minor use permits. Mr. Weir reported on the recent LOCAC elections and 2017 officers and Supervisor Gibson presented certificates of appreciation to outgoing members Tom Cantwell, Nathaniel Blair, and Alissa Feldman.</p> <p>Steve Vinson, Chamber Board President, announced the June 8th Chamber Mixer at the LO Valley Memorial Park; a travel presentation on the upcoming escorted tour of the Amalfi Coast on June 16th; the upcoming Starbucks ribbon cutting on June 21st; and the Festival of Flavors will be held June 24th from 5:00 p.m. to 8:00 p.m.</p> <p>Director Cesena gave a summary of the May 18th ESAC meeting as outlined in the minutes submitted with the agenda packet and that the Committee heard a report on the history of problems with the emergency vehicles with the Rescue Squad being the highest priority.</p> <p>Director Tornatzky gave a summary of the May 19th Parks and Recreation meeting as outlined in the minutes submitted with the agenda packet.</p> <p>Director Wright gave a report of the May 23rd UAC meeting in which the Committee heard a report on the Interim GM's Management Objectives for 16/17 as they apply to the Utilities Department; a report on the bidding process of the 8th Street Well drilling project; and a review of last year's budget.</p> <p>President Ochylski reported on the May 25th Basin Management Committee Meeting in which the Committee received an update on the zone of benefit analysis to be reviewed at the June or July meeting; an update on the grant schedule; discussed the water conservation program and the importance of cleaning and sealing septic tanks to be repurposed at a later date; briefly discussed concerns by the RWQCB of the revised basin boundaries; and an update on the creek discharge. He reported that the Committee unanimously voted to live broadcast the meetings and run on Channel 20.</p> <p>Director Tornatzky reported that the Water Resource Advisory Committee heard an update on the rain and reservoir report; a discussion of North County agencies forming a groundwater group to discuss ways to comply with SGMA; and a discussion on forming a more permanent Ad Hoc funding committee.</p> <p>President Ochylski reported on his attendance at the Morro Bay National Estuary Program Executive Committee quarterly meeting in which the committee reviewed grant proposals and awarded a grant to provide kayak information on the Bay; and reviewed the two-year tasks program.</p>
<p>10. PUBLIC COMMENT ON ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>At the request of Director Cesena, President Ochylski pulled Item 11H for further discussion.</p> <p>Public Comment – Julie Tacker, Richard Margetson, Lynette Tornatzky, and an unidentified speaker spoke.</p>
<p>11. CONSENT AGENDA</p> <p>A. Receive Administrative and Committee Reports</p> <p>B. Approve Meeting Minutes of May 5, 2016</p> <p>C. Receive Warrant Register for May 2016</p>	<p>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 11H. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Directors Wright, Tornatzky, Cesena, Ochylski Nays: Cesena on Item 11J Abstain: None Absent: Storm</p>

AGENDA ITEM	DISCUSSION
<p>D. Adopt Resolution Requesting Consolidation of the District's Biennial Election with the November 8, 2016 General Election</p> <p>E. Adopt Resolution Approving District Public Records Request Policy</p> <p>F. Adopt Resolution Authorizing the Immediate Purchase of a Replacement Medic-Rescue Vehicle Meeting Department Standards with Funds Not to Exceed \$170,000 from the Vehicle, Equipment, and Fire Engines Reserves</p> <p>G. Adopt Resolution Authorizing Formal Bid Process for Drilling the 8th Street Upper Aquifer Well</p> <p>H. Adopt Resolution Approving an Interconnection Agreement with GSWC in Accordance with Program A of the LO Basin Management Plan</p> <p>I. Adopt Resolution Approving a Policy Establishing the Fire Mitigation Fund, Detailing Appropriate Expenditures, and Establishing Program Guidelines</p> <p>J. Adopt the CPI Rate Increase to the Special Fire Tax Assessment for 2016/2017</p> <p>K. Consider Proposed CSDA Bylaws Amendments</p>	<p style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-15deg);">DRAFT</p>
<p>12. GENERAL ACTION ITEMS</p> <p>A. Review District Organizational Chart and the Responsibilities Associated with Various Positions</p>	<p>Interim General Manager Kampa provided a PowerPoint presentation detailing the current organizational chart and then an optimal chart and discussed the possibility of filling mid-management positions without adding additional staff.</p> <p>Public Comment – Julie Tacker supported the community at the top of the chart and opposed making any changes until the District's finances are in order.</p> <p>Richard Margetson urged the Board not to move forward tonight as there are too many variables at this time.</p> <p>Lynette Tornatzky supported the forward thinking and upward promotions.</p> <p>The Board directed that the District Counsel, District Engineer and Auditor come under the GM and to add the Cal Fire firefighters under the Fire Chief.</p>
<p>B. Review and Approve Interim General Manager's Management Objectives for 2016/2017</p>	<p>Interim General Manager Kampa gave a brief summary of the report as submitted in the agenda packet, reporting on the need for clear direction from the Board as a team to the General Manager, and that the objectives should be reviewed on a quarterly basis and updated as needed.</p> <p>Public Comment – Julie Tacker commented on FAC's request for an analysis and the need for a discussion of the property tax that is currently going to Water.</p>

AGENDA ITEM	DISCUSSION
<p>12B. Review and Approve Interim General Manager's Management Objectives for 2016/2017 (continue)</p>	<p>Richard Margetson commented on the need to add the property tax discussion, the recycled water contract discussion with the County and revenue stream, and the 4.0 staffing to the list.</p> <p>Lynette Tornatzky opposed losing local control.</p> <p>The Board directed amending the objectives to add the recycled water contract to the first six months, move the discussion of 4.0 staffing to a higher level priority, and add the property tax discussion.</p> <p>A motion was made by Director Wright that the Board approve the General Manager's proposed Management Objectives as amended. The motion was seconded by Director Cesena and carried with the following vote:</p> <p>Ayes: Directors Wright, Cesena, Tornatzky, Ochylski Nays: None Abstain: None Absent: Storm</p>
<p>13. DISCUSSION OF PULLED CONSENT ITEM 11H. Adopt Resolution Approving an Interconnection Agreement with GSWC in Accordance with Program A of the LO Basin Management Plan</p>	<p>Interim General Manager Kampa reported that Item 1(b) of the agreement stated that the cost of all third-party charges and expenses are to be shared equally and that each party will be responsible for its own internal costs and out-of-pocket expenses and that Item 2(a) outlined the scope of work.</p> <p>Public Comment - None</p> <p>A motion was made by Director Cesena that the Board adopt Resolution 2016-20 approving the Interconnection Agreement with Golden State Water Company in accordance with Program A of the Los Osos Basin Management Plan. The motion was seconded by Director Wright and carried with the following vote:</p> <p>Ayes: Directors Cesena, Wright, Tornatzky, Ochylski Nays: None Abstain: None Absent: Storm</p>
<p>14. FUTURE AGENDA ITEMS</p>	<p>Interim General Manager Kampa reported that the public hearings for the 16/17 tax rolls will be before the Board at their July meeting.</p>
<p>15. CLOSING BOARD COMMENTS</p>	<p>Director Tornatzky commented on the meeting being productive.</p> <p>Director Cesena thanked the staff and reported on the recent construction of a purple pipe distribution station on 10th Street.</p> <p>Director Wright thanked the staff for a job well done, the momentum of the District moving forward, and encouraged the public to get tickets early for the Chamber's Festival of Flavors on June 24th as tickets sell out early.</p> <p>President Ochylski commented on his appreciation of staff and their efforts and the forward movement of the District.</p>
<p>16. ADJOURNMENT</p>	<p>The meeting adjourned at 9:02 p.m.</p>

**Los Osos Community Services District
Board of Directors
Minutes of the Special Meeting of June 29, 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 5:32 p.m. and lead the flag salute.</p> <p><u>Roll Call:</u> Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Present Jon-Eric Storm, Vice President – Present Marshall Ochylski, President – Present</p> <p>The following Staff were present: Peter Kampa, Interim General Manager Dale Flynn, District Accountant Michael Seitz, District Legal Counsel Tom McEwen, Battalion Chief Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accountant Assistant</p>
<p>2. PUBLIC HEARING</p> <p>Presentation of Fiscal Year 2016/2017 Preliminary Budget</p>	<p>President Ochylski reported that the preliminary budget would be going through the committee process before it comes to the Board for final budget adoption in August 2016.</p> <p>Interim General Manager provided a PowerPoint presentation of the proposed Preliminary Fiscal Year 2016/2017 Budget reporting on the schedule and process to move the budget along according to District policy, the allocated operating expenses, and a summary of each of the District's funds.</p> <p>President Ochylski opened the public hearing for testimony to consider all objections or protests to adopting the Fiscal Year 2016/2017 Preliminary Budget.</p> <p>Public Comment: Julie Tacker, Linde Owen, and Richard Margetson spoke.</p> <p>President Ochylski called for further public testimony and seeing none the public hearing portion was closed.</p> <p>After further discussion, the Board directed staff to clarify the increase in projected property tax revenue, to use the actual FY14/15 revenues and expenditures, to validate the actual allocation of time used in calculating Admin Allocation, to vet through the committees for review before bringing to the Board for final adoption with discussions at ESAC concerning the level of fire service and needed reserve firefighters and discussions at UAC concerning the water issues.</p> <p>A motion was made by Vice President Storm to adopt Resolution 2016-22 adopting the Fiscal Year 2016/2017 Preliminary Budget. The motion was seconded by Director Tornatzky and carried with the following vote:</p> <p>Ayes: Storm, Tornatzky, Cesena, Wright, Ochylski Nays: None Absent: None Conflicts: None</p>
<p>8. ADJOURNMENT</p>	<p>The meeting adjourned at 7:06 p.m.</p>

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Special Meeting of June 30, 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 3:00 p.m. and Director Cesena led the flag salute.</p> <p>Chuck Cesena, Director – Present Lou Tornatzky, Director – Present Mike Wright, Director – Absent 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>2. ANNOUNCEMENT OF CLOSED SESSION ITEMS</p> <p>3. PUBLIC COMMENT</p> <p>4. ADJOURN TO CLOSED SESSION</p>	<p>President Ochylski announced that the Board would convene to Closed Session for the following:</p> <p>A. <u>PERSONNEL EMPLOYMENT (Government Code §54957)</u> Public Employee – District Legal Counsel</p> <p>Public Comment: None</p> <p>The Board adjourned to Closed Session at 3:02 p.m.</p>
<p>5. REPORT OUT OF CLOSED SESSION</p>	<p>At 5:55 p.m. President Ochylski reported that the Board authorized the General Manager to negotiate a contract for legal services to be included on the Consent Calendar at the July 7, 2016 Board of Directors meeting.</p>
<p>6. ADJOURNMENT</p>	<p>The meeting adjourned at 5:59 p.m.</p>