



April 18, 2014

TO: LOCSD Board of Directors
FROM: Ann Kudart, Administrative/Accounting Assistant III
SUBJECT: **Agenda Item 11B – 5/1/2014 Board Meeting**
Approve Meeting Minutes of April 3, 2014

President
Craig V. Baltimore

Vice President
R. Michael Wright

Directors
Leonard A. Moothart
Marshall E. Ochylski
Jon-Erik G. Storm

General Manager
Kathy A. Kivley

Interim District Accountant
Dale G. Flynn

Fire Chief
Robert Lewin

Battalion Chief
Phill Veneris

DESCRIPTION

Attached are minutes from the LOCSD Board of Directors Regular Meeting of April 3, 2014.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Board approve the attached minutes.

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 meetings of April 3, 2014.

Attachments

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.locsd.org

**Los Osos Community Services District
Board of Directors
DRAFT Minutes of the Regular Meeting of April 3, 2014**

AGENDA ITEM	DISCUSSION OR ACTION
<p>1. CALL TO ORDER/FLAG SALUTE/ROLL CALL</p>	<p>President Baltimore called the meeting to order at 6:01 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> Leonard Moothart, Director – Present Marshall Ochylski, Director – Arrived at 6:02 p.m. Jon-Eric Storm, Director – Present Michael Wright, Vice Present – Present Craig Baltimore, President - Present</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Ann Kudart, Administrative/Accounting Assistant</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>District Legal Counsel Seitz 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)</i> United States Bankruptcy Court, Central District of California, Northern Division - <i>LOCSD v. Golden State et al</i> (Groundwater Adjudication), Case No. CV04012 (San Luis Obispo Superior Court)</p> <p>B. <u>PERSONNEL MATTERS (Government Code §54957)</u> - Public Employee Performance Evaluations: District General Manager and District Legal Counsel - District Staffing - Conference with Labor Negotiators District Negotiators: Kathy Kivley, General Manger and Michael Seitz, District Counsel Employee Organization: SLOCEA</p> <p>Public Comment – Richard Margetson commented on the General Manager's Performance Evaluation.</p> <p>The Board adjourned to Closed Session at 6:06 p.m.</p>
	<p>The Board reconvened to Open Session at 7:04 p.m. Director Ochylski led the flag salute.</p> <p>The following Board Members were present: Leonard Moothart, Director Marshall Ochylski, Director Jon-Eric Storm, Director Michael Wright, Vice Present Craig Baltimore, President</p> <p>The following Staff were present: Kathy Kivley, General Manager Michael Seitz, District Legal Counsel Phill Veneris, Battalion Chief Margaret Falkner, Utility Compliance Technician Ann Kudart, Administrative/Accounting Assistant</p>
<p>6. RECEIVE REPORT OUT OF CLOSED SESSION</p>	<p>District Counsel Seitz reported that the Board was advised that Judge Riblet signed an order dismissing the bankruptcy and heard a report on the ISJ but took no reportable action. In regards to Personnel, the Board did an evaluation on the General Manager, they gave comments to complete the written portion of the evaluation at the next Board meeting. The evaluation of District Legal Counsel did not take place. The Board conferenced with the Labor Negotiators, gave direction but took no reportable action.</p>
<p>7. PRESENTATION</p>	<p>None</p>

AGENDA ITEM	DISCUSSION
<p>8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA</p>	<p>Paul Malykont commented on an upcoming candidate's debate for District 2 Board of Supervisors.</p> <p>Julie Tacker commented on the appeal hearing for the McDonald's project.</p> <p>Linde Owen commented on the upcoming Mission Country Disposal Extra Pickup week; the \$15 million lawsuit filed by one of the wastewater contractors; and the upcoming candidate's debate.</p> <p>Al Barrow commented on a petition that will be circulated asking the community to pay for a bond to buy out of Golden State Water Company.</p> <p>Richard Margetson commented on the candidate's debate. He commented on the water billing issue update not on the agenda.</p>
<p>9. ADMINISTRATIVE AND COMMITTEE REPORTS</p> <p>A. CAL FIRE Report</p> <p>B. Utilities Department Report</p> <p>C. General Manager's Report</p> <p>D. LOCAC Report</p> <p>E. Emergency Services Advisory Committee (ESAC) Report</p> <p>F. Utilities Advisory Committee (UAC) Report</p> <p>G. Finance Advisory Committee (FAC) Report</p> <p>H. Directors' Announcement of District and Community Interest and Reports on Attendance at Public Meetings, Training Programs, Conferences and Seminars</p>	<p>Battalion Chief Veneris reported that the Camp Fire Safety Tips brochure is available in Spanish. He reported on the drought situation and reinforced the importance of hazard abatement and chipping events; the April 9th special public event where Fireman's Fund will present to CAL Fire a \$10,000 grant; and Chief Veneris provided a summary of the February 2014 report as submitted in the agenda packet.</p> <p>Utility Compliance Technician Falkner reported on February 2014 operations of the Utilities Department, reporting on water production and consumption, meter reading, and operations and maintenance of the water system. Crews worked on the valve exercise program, upgraded service lines and meters, assisted contractors with planned shut downs, repaired a dead end blow-off, installed a turbidimeter at South Bay well, and, water conservation efforts. She reported on the billing software implementation and that it is calculating according to the District's rate structure and reminded customers that bills can only be discussed with the customer on record.</p> <p>General Manager Kivley reported that a detailed outline of her tasks and functions completed in March 2014 was submitted in the agenda packet.</p> <p>LOCAC Vice Chairperson Malykont reported on a presentation given at their March 27 meeting on road work to be completed on LOVR and South Bay Boulevard south of Turri Road; the County's rebate and retrofit program; upcoming special meeting concerning the McDonald's project; and LOCAC's upcoming elections.</p> <p>Vice President Wright reported that there was no ESAC meeting in March and that the next meeting would be held April 15, 2014.</p> <p>Director Moothart reported that at the March 12, 2014 UAC meeting the Committee heard a report on the Outdoor Water Conservation efforts with the Committee recommending that the Board enter into a contract up to \$5,000 to initiate the development of a public relations and advertising campaign for water conservation; he reported that the Committee also heard an update on the Emergency Water Shortage Contingency Plan from District Engineer Rob Miller; and that the next meeting would be held April 9, 2014. Director Ochylski reported that he and General Manager Kivley met with Golden State Water Company to discuss participation in a community workshop.</p> <p>Director Ochylski commented that at the March 24, 2014 FAC meeting the committee reviewed the Brown Act and setup subcommittees to review the Investment Policy and the Admin Allocation costs. Vice President Wright commented on the March 31, 2014 FAC meeting in which the Committee approved the minutes; reviewed the March 2014 warrants recommending the Board accept the warrants; discussed the tasks; discussed the mid-year budget adjustments recommending Board approval.</p> <p>President Baltimore accepted the UAC recommendation to enter into a contract to initiate a public relations and advertising campaign for water conservation.</p> <p>Director Storm reported on his attendance at the regular meeting of LOCAC on March 27, 2014.</p> <p>Director Ochylski reported on a session sponsored by PG&E for the Special District Association on energy conservation programs available to special districts and government entities. He also reported on the Morro Bay National Estuary Program State of the Bay programs.</p> <p>Director Moothart reported that there was a discussion at the April 2, 2014 WRAC meeting on the IRWM Plan update. He reported on his attendance at the Department of Water Resources (DWR) webinar held at Wallace Group.</p>

AGENDA ITEM	DISCUSSION
<p>10. PUBLIC COMMENT FOR ADMINISTRATIVE AND COMMITTEE REPORTS AND THE CONSENT CALENDAR</p>	<p>Al Barrow commented on the FAC meeting and the UAC water conservation reports.</p> <p>Tom Wright commented on the inconsistency of the Administrative reports and standardized committee reports. He does not support spending more money on drought issues.</p> <p>Paul Malykont commented on water use and revenues reported in the Utilities Department report.</p> <p>Linde Owen approved of the consumption graph being put on water bills; the billing software implementation report; the General Manager's report; and the cost of water conservation efforts.</p> <p>Julie Tacker requested a copy of the report given by Utility Compliance Technician Falkner regarding the implementation of the billing software and overbilling. She commented on the General Manager's report and commented on the future of the District.</p> <p>Richard Margetson commented on the FAC report of March 31, 2014; the implementation of the billing software and overbilling; and the LOCAC report concerning retrofits.</p>
<p>11. CONSENT AGENDA A. Receive Administrative and Committee Reports B. Approve Meeting Minutes of March 6, 2014 and March 8, 2014 C. Receive Warrant Register for the Period March 2014</p>	<p>A motion was made by Director Ochylski to receive and file the Administrative Reports, the Committee Reports, and to approve the Consent Calendar. The motion was seconded by Director Moothart and carried with the following vote:</p> <p>Ayes: Directors Ochylski, Moothart, Storm, Wright, Baltimore Nays: None Abstain: None Absent: None</p>
<p>12. GENERAL ACTION ITEMS A. Fiscal Year 2013/2014 Mid-Year Budget</p>	<p>General Manager Kivley reported that the information provided gives an overview of the District's fiscal condition at the midpoint of the current fiscal year and that it reflects current assumptions and possible trends.</p> <p>Public Comment: Julie Tacker commented on the 2013-2014 Solid Waste revenues; the increase in Administration overtime; impact on staff from the wastewater project; and the bankruptcy settlements.</p> <p>Richard Margetson commented on Fund 301 projected unrestricted and projected additional restricted fund balances.</p> <p>Linde Owen supports Mr. Margetson's sense of economics and understanding of the District's finances.</p> <p>Paul Malykont suggested future presentations include original budget information and balance sheets or statements of financial conditions.</p> <p>Al Barrow commented on Mr. Margetson's understanding of fund budgets; and the need for the community to have confidence in the integrity of the District.</p> <p>A motion was made by Director Storm that the Board adopt the budget revisions for FY 2013-2014 as proposed in the mid-year reports, Exhibits 3 through Exhibit 9, and reaffirm the application of the Revenue Allocation Plan as proposed in Exhibit 1. The motion was seconded by Director Moothart and carried with the following vote:</p> <p>Ayes: Directors Storm, Moothart, Ochylski, Wright, Baltimore Nays: None Abstain: None Absent: None</p>
<p>12B. CSDA Board of Directors Call for Nominations</p>	<p>General Manager Kivley provided a brief summary of the item as submitted with the agenda packet.</p> <p>Public Comment: Richard Margetson commented on the lack of Board recommendations prior to Public Comment.</p> <p>All Barrow commented on the possibility of current Board members not being re-elected in November and therefore would not be able to serve on the CSDA Board of Directors.</p> <p>President Baltimore called for recommendations, seeing none, he closed the item.</p>

AGENDA ITEM	DISCUSSION
13. DISCUSSION OF PULLED CONSENT ITEMS	None
14. FUTURE AGENDA ITEMS	<ul style="list-style-type: none"> - Assigned FAC Tasks - Update of the Emergency Water Shortage Contingency Plan - Annual CPI Increase for Special Fire Tax
15. CLOSING BOARD COMMENTS	<p>Director Storm announced the Latino Outreach Council's District 2 candidate's debate to be held on April 30, 2014.</p> <p>Director Moothart thanked staff for their efforts with upgrading the financial software.</p> <p>Director Ochylski reminded the public of MBNEP's State of the Bay events. He commented on the financial software upgrading process and that the District is moving forward after the bankruptcy.</p> <p>Vice President Wright thanked staff for their time and efforts to clear up the financial issues and announced Mission Country Disposal's Extra Pickup week.</p> <p>President Baltimore announced that the Los Osos church community's Reach the Beach will be held at the Los Osos Middle School on April 17, 18 and 19, 2014.</p>
16. ADJOURNMENT	The meeting adjourned at 9:37 p.m.